

2

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

5. Lease Designation and Serial No.

U-0370-A

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

San Arroyo

8. Farm or Lease Name

San Arroyo

9. Well No.

Unit #40

10. Field and Pool, or Wildcat

San Arroyo

11. Sec., T., R., M., or Bk.  
and Survey or Area

Sec. 27 T16S R25E

12. County or Parrish 13. State

Grand Utah

1a. Type of Work

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. Type of Well

Oil  
Well ☐Gas  
Well ☒

Other

2. Name of Operator

Birch Corporation

3. Address of Operator

3801 E. Florida, Suite 900, Denver, CO 80212

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*

At surface

739 FNL 1443 FEL

At proposed prod. zone

NA

14. Distance in miles and direction from nearest town or post office\*

28.6 miles NW of Mack, Colorado

15. Distance from proposed\*

location to nearest  
property or lease line, ft. 1000'

(Also to nearest drlg. line, if any)

18. Distance from proposed location\*  
to nearest well, drilling, completed,  
or applied for, on this lease, ft. 150'

16. No. of acres in lease

1000'

17. No. of acres assigned  
to this well

320

19. Proposed depth

6400'

20. Rotary or cable tools

Rotary

21. Elevations (Show whether DF, RT, GR, etc.)

7265'

22. Approx. date work will start\*

November 15, 1987

23.

## PROPOSED CASING AND CEMENTING PROGRAM

| Size of Hole   | Size of Casing | Weight per Foot | Setting Depth | Quantity of Cement               |
|----------------|----------------|-----------------|---------------|----------------------------------|
| 12 1/4"        | 9-5/8"         | 36# K-55        | 350           | 200 sx req +2% CaCl <sub>2</sub> |
| 8-3/4 & 7-7/8" | 4 1/2"         | 11.6# K-55      | 6400          | 300 sx 65-35 Pozmix or RFC       |

We propose to drill a well as described in the attached program. A location is to be constructed close to San Arroyo Unit #9. The program is to drill a 6400 foot hole to test 400 feet of the Entrada formation.

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE 11-18-87

BY [Signature]

WELL SPACING: 645-2-3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Signed

[Signature]

Title Operations Manager

Date

11/16/87

(This space for Federal or State office use)

Permit No.

43-019-31250

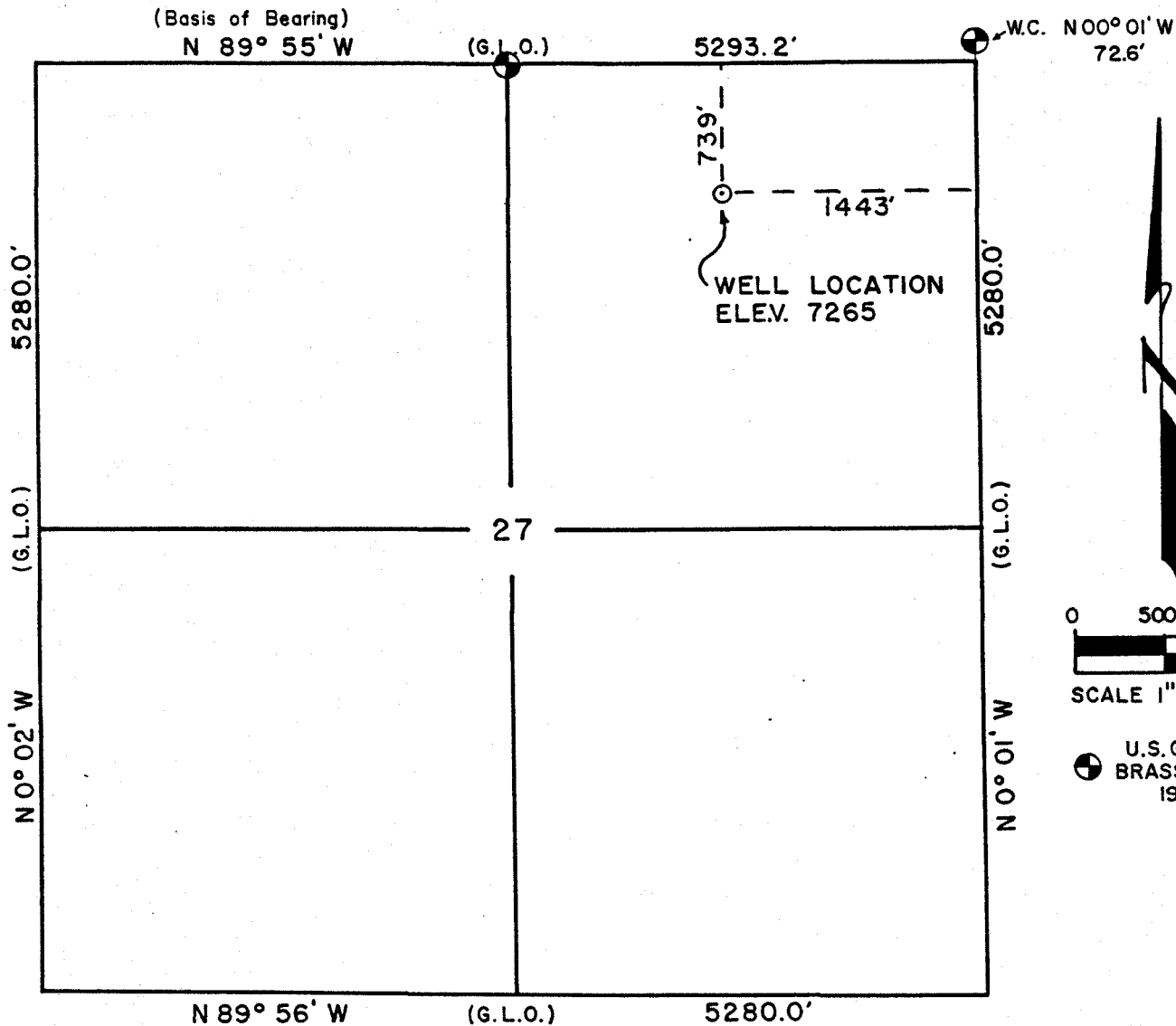
Approval Date

Approved by

Title

Date

Conditions of approval, if any:



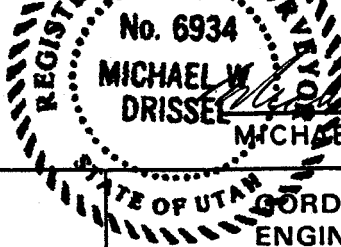
**WELL LOCATION**  
 739 FT.S.N.L. - 1443 FT.W.E.L.  
 SECTION 27, T. 16 S., R. 25 E., S.L.B. & M.

**RECORDED**  
 NOV 18 1987

DIVISION OF  
 OIL, GAS & MINING

**SURVEYOR'S CERTIFICATE**

I, MICHAEL W. DRISSEL, A REGISTERED LAND SURVEYOR IN THE STATE OF UTAH, DO HEREBY CERTIFY THAT THIS SURVEY WAS MADE UNDER MY DIRECT SUPERVISION, AND THAT THIS PLAT REPRESENTS SAID SURVEY.



MICHAEL W. DRISSEL

L.S. 6934



GORDON ENGINEERING, INC.  
 ENGINEERING - SURVEYING

|                      |                       |
|----------------------|-----------------------|
| Date 10-26-87        | SAN ARROYO<br>UNIT 40 |
| Drawn by SLH         |                       |
| Checked by MWD       | Sheet 1 of 3          |
| Survey date 10-20-87 | Job # 87026           |

DRILLING PROGRAM  
BIRCH CORPORATION

SAN ARROYO UNIT WELL NO. 40  
SAN ARROYO FIELD  
GRAND COUNTY UTAH

1. SURFACE FORMATION AND ESTIMATED FORMATION TOPS:

|                |         |
|----------------|---------|
| Mesaverde      | Surface |
| Castlegate     | 1828'   |
| Mancos "A"     | 2419'   |
| Emery          | 2877'   |
| Niobrara       | 3217'   |
| Ferron         | 4973'   |
| Dakota Silt    | 5240'   |
| Dakota         | 5393'   |
| Cedar Mountain | 5455'   |
| Morrison       | 5620'   |
| Entrada        | 5996'   |

2. ESTIMATED DEPTH AT WHICH OIL, GAS, WATER, OR OTHER MINERAL-BEARING ZONES ARE EXPECTED:

Potential Oil Zones:

|                |       |
|----------------|-------|
| Niobrara       | 3217' |
| Ferron         | 4973' |
| Dakota         | 5393' |
| Cedar Mountain | 5455' |
| Morrison       | 5620' |
| Entrada        | 5996' |

Potential Water Zones:

|                |       |
|----------------|-------|
| Dakota Silt    | 5240' |
| Dakota         | 5393' |
| Cedar Mountain | 5455' |
| Morrison       | 5620' |
| Entrada        | 5996' |

Potential Gas Zones:

|                |       |
|----------------|-------|
| Castlegate     | 1828' |
| Mancos "A"     | 2419' |
| Emery          | 2877' |
| Niobrara       | 3217' |
| Ferron         | 4973' |
| Dakota Silt    | 5240' |
| Dakota         | 5393' |
| Cedar Mountain | 5455' |
| Morrison       | 5620' |
| Entrada        | 5996' |

Potential Mineral Zones:

|                       |         |
|-----------------------|---------|
| Mesaverde (coal)      | Surface |
| Dakota Silt (uranium) | 5240'   |
| Dakota (uranium)      | 5393'   |
| Morrison (uranium)    | 5620'   |
| Entrada (uranium)     | 5996'   |

### 3. PRESSURE CONTROL EQUIPMENT:

A diagram illustrating the pressure control equipment is attached. BOP equipment will consist of a flanged 10" series 900 hydraulically actuated double gate system complete with blind rams and 3½", 4", or 4½" pipe rams. Remote controls for the system will be operational and hand wheels installed. BOP and the choke manifold will be installed after running and cementing surface casing. This equipment will be used continuously until the well is abandoned or production casing run and cemented for completion. Surface casing, the blind rams, pipe rams and choke manifold will be pressure tested to 1000 psig prior to drilling the plug.

During the drilling, the operation of this equipment will be inspected daily and the pipe rams checked for operation. The blind rams will be closed every trip when the drill string has been removed. All inspections, operations, and tests of this equipment will be recorded on the daily drilling report.

The Moab BLM office will be notified twenty-four (24) hours in advance of any pressure tests.

Other auxiliary equipment will include a float at the bit, kellycock and full opening pipe valve on the floor.

### 4. CASING PROGRAM AND AUXILIARY EQUIPMENT:

Surface casing will be new 9-5/8" OD 36#/ft. K-55 grade set from surface to 350 feet and cemented with 200 sacks of regular cement containing 2% calcium chloride and ¼ lb./sk. cellophane. Cement will be circulated to surface.

Production casing will be new 4½" OD 11.6#/ft. K-55 grade set from surface to 6400 feet and cemented with 300 sacks 65/35 Pozmix or RFC cement. This should fill approximately 100 feet above the Dakota top.

Wellhead equipment will be a 3000 psig working pressure Bradenhead for the 8-5/8" surface casing. A flanged 3000 psig working pressure tubing spool will be used for a tubing head.

NOTE: An 8-3/4" bit will be used to drill the cement shoe of the surface casing and penetrate the Castlegate formation. As soon as the bit is dull, a 7-7/8" bit will be used from this depth to total depth providing that shallow water production is not encountered. If shallow water is encountered, then consideration may be given to running an intermediate casing string of 7" new 20#/ft. K-55 casing. This string will be cemented with 100 sacks of regular cement and the hole finished with a 6½" bit.

### 5. MUD PROGRAM AND CIRCULATING MEDIUM:

Water will be used to drill the 12½" hole to 350 feet where surface casing will be set. Air or air-mist will be used to drill the 8-3/4" to 7-7/8" hole until sufficient gas flow or moisture is encountered requiring the use of a chemical gel mud.



6. CORING, TESTING, AND LOGGING PROGRAMS.

No cores or DST's are planned as these are development wells. Proposed logs are:

|                                 |   |                                    |
|---------------------------------|---|------------------------------------|
| Dual Induction Log              | - | 350' - TD                          |
| BHC Density-Compensated Neutron | - | Minimum 2000' at various intervals |

7. ABNORMAL CONDITIONS, BOTTOM HOLE PRESSURES AND POTENTIAL HAZARDS:

Maximum pressure anticipated is 1500 psig in the Entrada Formation and should not require more than normal mud weight for control. No abnormal temperatures or hydrogen sulphide are anticipated.

8. ANTICIPATED STARTING DATES AND NOTIFICATIONS OF OPERATIONS:

Anticipated starting date is November 15, 1987, and it is expected that the duration of operations will be up to 120 days for drilling and completion.

The Operator will contact the Moab BLM Office at 801-259-6111, forty-eight hours prior to beginning any dirt work on this location.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Manager. If operations are suspended prior approval of the District Manager will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the BLM Manager within a minimum of twenty-four (24) hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within twenty-four (24) hours after spudding. If the spudding occurs on a week-end or holiday, the written report will be submitted on the following regular work day.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6, "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed directly with the Bureau of Land Management, P. O. Box 970, Moab, Utah 84532.

IMMEDIATE REPORTS: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Moab BLM in accordance with requirements of NTL-3A.

If a replacement rig is contemplated for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed for prior approval of the District Manager, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations, verbal approval to bring on a replacement rig will be approved by the District Petroleum Engineer.

Should the well be successfully completed for production, the District Manager will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than five (5) business days following the date on which the well is placed in production.

A first production conference will be scheduled within fifteen (15) days after receipt of the first production report. The Grand Resource Office will coordinate the field conference.

No well abandonment operations will be commenced without the prior approval of the District Manager. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the District Petroleum Engineer. A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Manager within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the BLM Area Manager or his representative, or the appropriate surface managing agency.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed thirty (30) days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guideline in NTL-4A.

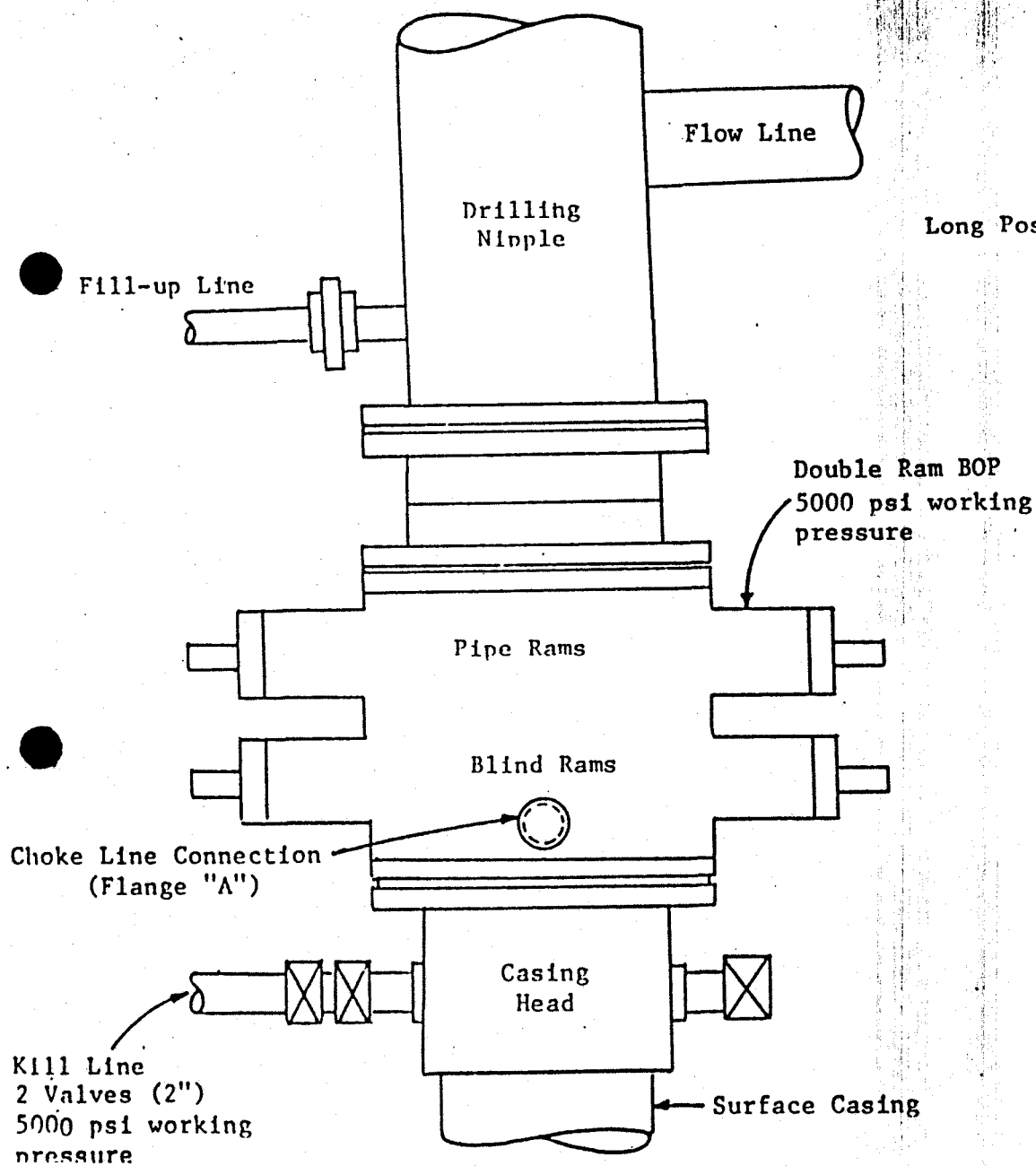
Upon completion of approved plugging, a marker 4" x 4' long will be erected in accordance with 43 CFR 3162.6. The marker will be constructed after contouring. The top of the marker will be closed or capped and the following minimum information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch:

"Fed" or "Ind" as applicable.

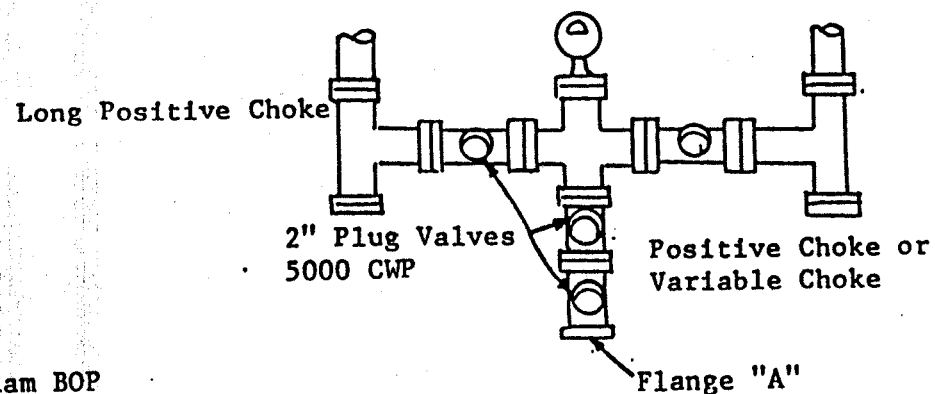
"Well number, location by ~~11~~ section, township, and range."

"Lease Number, county, and state."

# Blow Out Preventor



Flanged Cross with Pressure Gauge in Outside Opening



## Plan View-Choke Manifold

### Testing Requirements

Pipe rams: Operated daily.  
 Blind rams: Operated and closed every opportunity.  
 Accumulation: Checked daily.

Figure III

BLOW OUT PREVENTOR

BIRCH CORPORATION  
SAN ARROYO UNIT WELL NO. 40  
GRAND COUNTY, UTAH

1. EXISTING ROADS:

- A. The location is approximately 28.6 miles northwest of Mack, Colorado.
- B. The proposed route to the location is by traveling west on Highway 6 & 50 approximately 8½ miles to the intersection of Highway 6 & 50 and Mesa County Road No. 2. Turn north off Highway 6 & 50 on Two Road and proceed northwest. Go up Bitter Creek. At San Arroyo Camp climb San Arroyo Ridge. Proceed up the switchbacks approximately 1 mile. Take a left and proceed south approximately 1 mile. Just before getting to the location of San Arroyo Unit No. 9, turn left onto the access road. See Plat No. 1 and Plat No. 2.
- C. Plans for improvement and maintenance of existing roads: Highway 6 & 50 west of Mack, Colorado is a two-lane paved road while Mesa County Road No. 2 is an upgraded graveled road. The roads up Bitter Creek and San Arroyo Ridge to the access to the location are in good shape and will require no improvement. Should maintenance be required, the roads will be flat graded. The roads are currently being used as access to numerous gas wells in the area.

2. PLANNED ACCESS ROADS:

- A. The planned access road is approximately 100 feet long as shown in Plat No. 2. The road is to have a drivable surface of 14 feet with a maximum disturbed area of 20-25 feet.
- B. No grades over 8% will be required.
- C. Turnouts: None. Gas well location San Arroyo Unit No. 9 will be used to turn around trucks and equipment.
- D. The centerline of the access road has been flagged.
- E. Drainage: Plat No. 2 illustrates the location of a 24 inch culvert that is to be installed. The road is to be ditched and crowned and water bars will be used to control drainage after completion of the well as a producer.
- F. Surface Materials: No surface materials will be required and any materials required for installation of the culvert will be "borrowed" from the roadway close to the culvert.
- G. Other: No right-of-way is required since this well is inside the San Arroyo Unit boundary.

Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional areas needed will be approved by the appropriate BLM manager in advance.

The access road will be rehabilitated or brought to Resource (Class III) Road Standards within sixty (60) days of dismantling of the drilling rig. If this time frame cannot be met, the BLM manager will be notified so that temporary drainage control can be installed along the access road.

7. METHOD OF HANDLING WASTE DISPOSAL Continued.

Produced waste water will be confined to the pit for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the BLM Manager's approval pursuant to Onshore Oil and Gas Order #3 (NTL-2B).

Plat No. 4 illustrates the rig layout and the position of the trash cage and reserve pit.

- A. Cuttings: These will be contained on location in the reserve pit.
- B. Drilling fluids, chemicals, and salts: These will be contained in the reserve pit.
- C. Sewage: Chemical toilets will be used.
- D. Garbage and other waste materials: A portable trash cage will be kept on location to contain these. Periodically the location will be cleaned and all trash placed in the container. No trash will be thrown in the reserve pit. The trash cage will be hauled to a sanitary landfill and emptied when it fills up. Barrels, cable, wood pallets, and all other trash will be hauled to a local sanitary landfill to be disposed of. Open burning of trash and refuse is illegal under Section 2.4 of the Utah Air Conservation Regulations. The Operator will be responsible for all trash and roadside litter generated by their operations along their access route - from the County Road to the location.
- E. If burning is required, a permit will be obtained from the State Fire Warden in Moab, Utah.

8. ANCILLIARY FACILITIES.

None.

9. WELLSITE LAYOUT.

Plat No. 4 shows the rig layout, Plat No. 5 shows the pad layout. Plat No. 6 illustrates the cuts and fills.

The reserve pit will be located on the southwest side of the location pit will be constructed. Both pits will be connected by a small trench so that any accumulation of liquids in the burn pit will drain into the reserve pit. To contain any flare of natural gas, the back side of the burn pit banked and this should help keep any material contained. The blowie line will be directed into the burn pit and water will be injected into the blowie line for fugitive dust control. The top eight (8) inches of soil will be removed from the location and stockpiled separately just off the location to the southeast.

The access road will enter on the northwest side of location and the cage will be situated to the south of the location, as shown by Plat No. 4.

10. PLANS FOR RESTORATION OF SURFACE.

The Operator or his Contractor will contact the Grand Resource BLM Office in Moab, Utah, telephone 801-259-8193, forty-eight (48) hours prior to starting rehabilitation work that involves earth moving equipment and upon completion of restoration measures.

10. PLANS FOR RESTORATION OF SURFACE Continued.

Before any earthwork to restore the location takes place, the reserve pit will be dry and all trash (barrels, metals, etc.) it contains must be removed and disposed of in a sanitary landfill. And immediately upon completion of drilling, the location and surrounding areas will be cleared of all remaining debris, materials, trash and junk not required for production.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The disturbed areas will be reseeded using a seed mixture as stipulated by the Grand Resource BLM Office in Moab, Utah. Seeding will be accomplished by using a range drill or by doubling the prescribed mixture and broadcasting.

11. PRODUCTION, SURFACE AND MINERAL OWNERSHIP.

If well goes to production, the holder shall submit a proposed operation and maintenance plan for the permanent road after consultation with the BLM authorized officer for applicable road standards.

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed in the method described in the Restoration of Surface section.

All above ground production facilities will be painted with a flat non-contrasting color harmonious with the adjacent landscape, subject to the approval of the authorized officer.

Plat No. 7 shows the layout of the typical production facilities and sales line. The sales line will follow the alignment of the road and will be a surface line. The diameter of the sales line will be 2-3/8" tubing with screwed construction. The connections will be coated with an adequate joint compound such as "Baker-Lok" to prevent any leakage. The line will be placed either above the cuts on the high side of the road or it will be staked above the road along the cut slopes.

The surface and minerals are owned by the United States Government and lease number U-0370 is described as follows:

Township 16 South, Range 25 East, Grand County, Utah.

Section 22: All.

Section 21: E $\frac{1}{2}$  NE $\frac{1}{4}$ , NE $\frac{1}{4}$  SE $\frac{1}{4}$ .

Section 27: NE $\frac{1}{4}$ , NE $\frac{1}{4}$  SE $\frac{1}{4}$ , NE $\frac{1}{4}$  NW $\frac{1}{4}$ .

Containing 1000± acres.

12. OTHER INFORMATION.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the BLM in Moab. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.

A cultural resource clearance has been prepared. If culture material is exposed during construction work, work in that spot will stop immediately, and

3. LOCATION OF EXISTING WELLS.

Plat No. 3 illustrates the location of all existing wells in a two mile radius: there are thirty (30) producing gas wells and three (3) dry holes.

4. LOCATION OF TANK BATTERIES AND PRODUCTION FACILITIES.

All permanent (onsite for six (6) months or longer) structures constructed or installed (including oil well pumpjacks) will be painted a flat, non-reflective, earth-tone color to match the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within six (6) months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be Juniper Green.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager. Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the wellhead to the meter along with any other sections occurring on the pad. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three (3) months on new meter installations and at least quarterly thereafter. The Area Manager will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration reports will be submitted to the Resource Area Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

5. LOCATION AND TYPE OF WATER SUPPLY.

All water needed for drilling and completion purposes will be obtained from West Salt Creek as shown by Plat No. 1. The point of divergence is located in Mesa County, Colorado. Water will be hauled to location by truck. A Utah water permit will not be necessary as water is being obtained from Colorado.

6. SOURCE OF CONSTRUCTION MATERIALS.

None.

7. METHOD OF HANDLING WASTE DISPOSAL.

The reserve pit will not be lined. Three sides of the reserve pit will be fenced before drilling starts and the fourth side will be fenced as soon as drilling is completed. The fence will consist of three strands of barbed wire and will be kept in good repair while the pit is drying.

12. OTHER INFORMATION Continued.

the Grand Resource Office will be contacted. All employees working in that area will be informed by the Operator that they will be subject to prosecution for disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will only be done if damage occurs.

The dirt contractor will be furnished with an approved copy of the surface use plan and any additional BLM stipulations prior to any work.

This permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

13. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION:

Representative: Gordon Engineering, Inc.  
P.O. Box 3525  
Grand Junction, CO 81502  
(303)-245-1958

Operator: Birch Corporation  
Mr. Tony Hines  
3801 E. Florida, Suite 900  
Denver, CO 80212  
(303)-759-4400

Certification: I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which currently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Birch Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Date

11/16/87

  
\_\_\_\_\_  
Tony Hines  
Operations Manager



Taken from U.S.G.S. Regional Map Grand Junction, CO-Utah

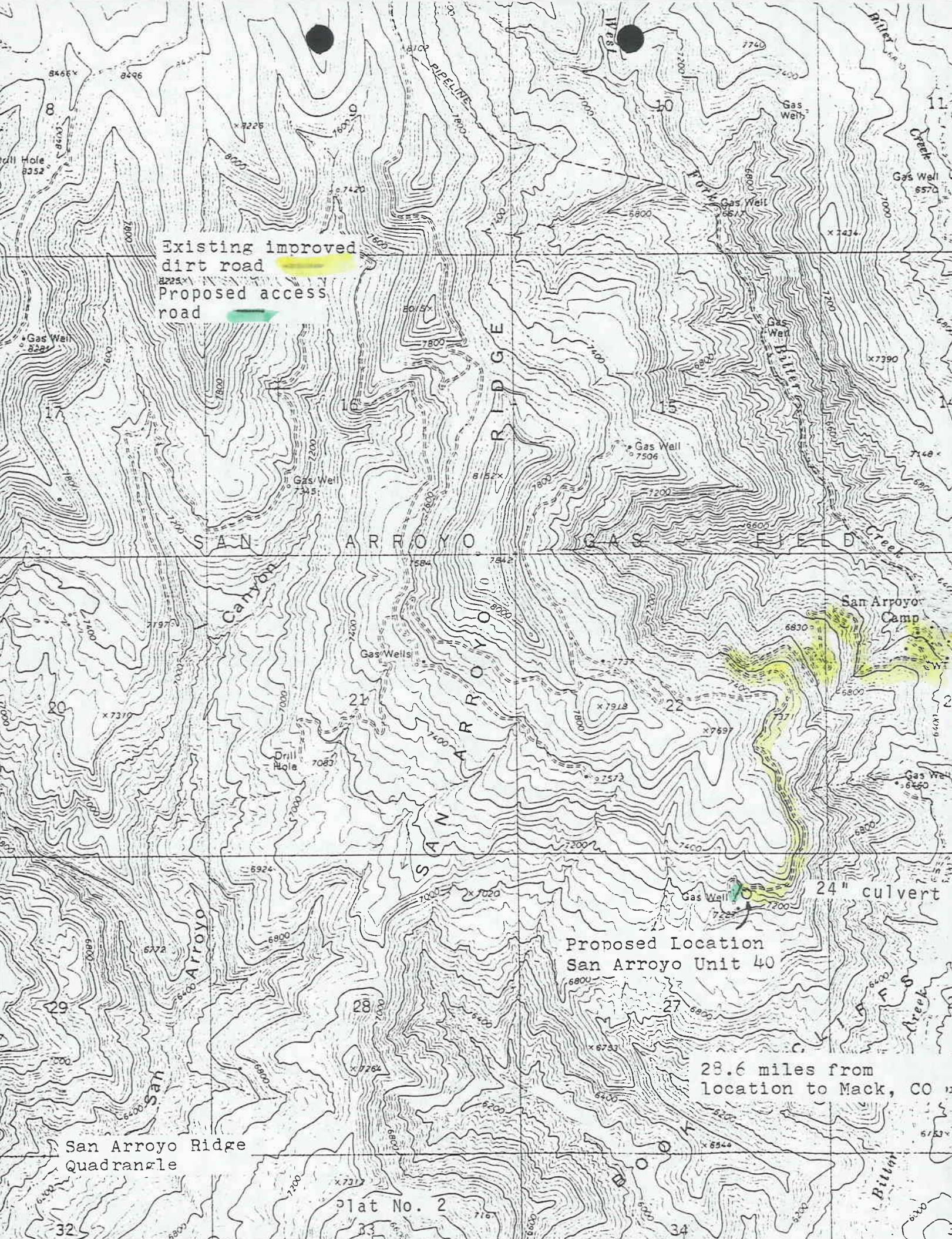
Proposed Location  
San Arroya Unit #40

19.1 miles to Hwy 6 & 50

water supply

Plat No. 1





Existing improved  
dirt road  
Proposed access  
road

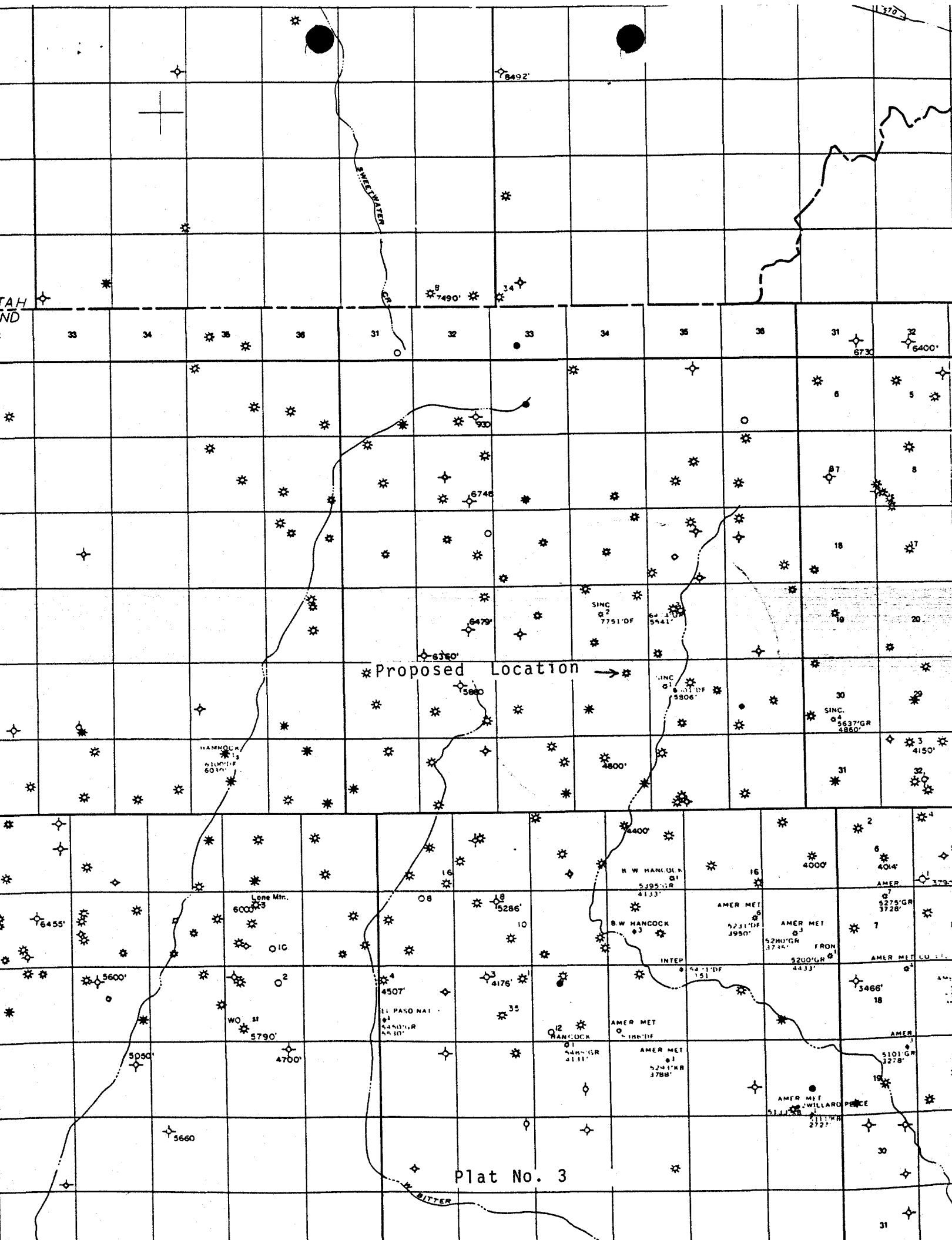
Proposed Location  
San Arroyo Unit 40

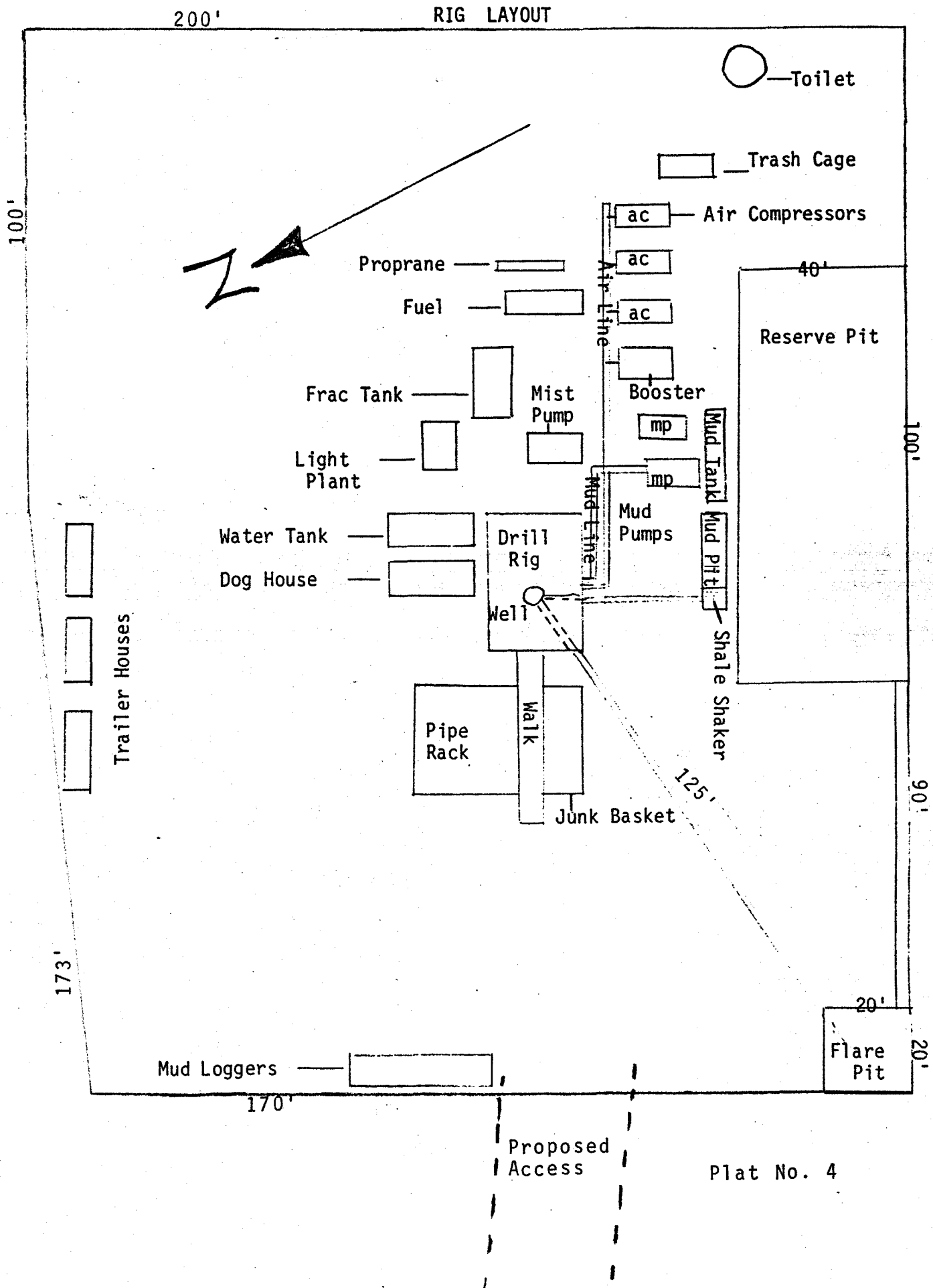
28.6 miles from  
location to Mack, CO

San Arroyo Ridge  
Quadrangle

plat No. 2

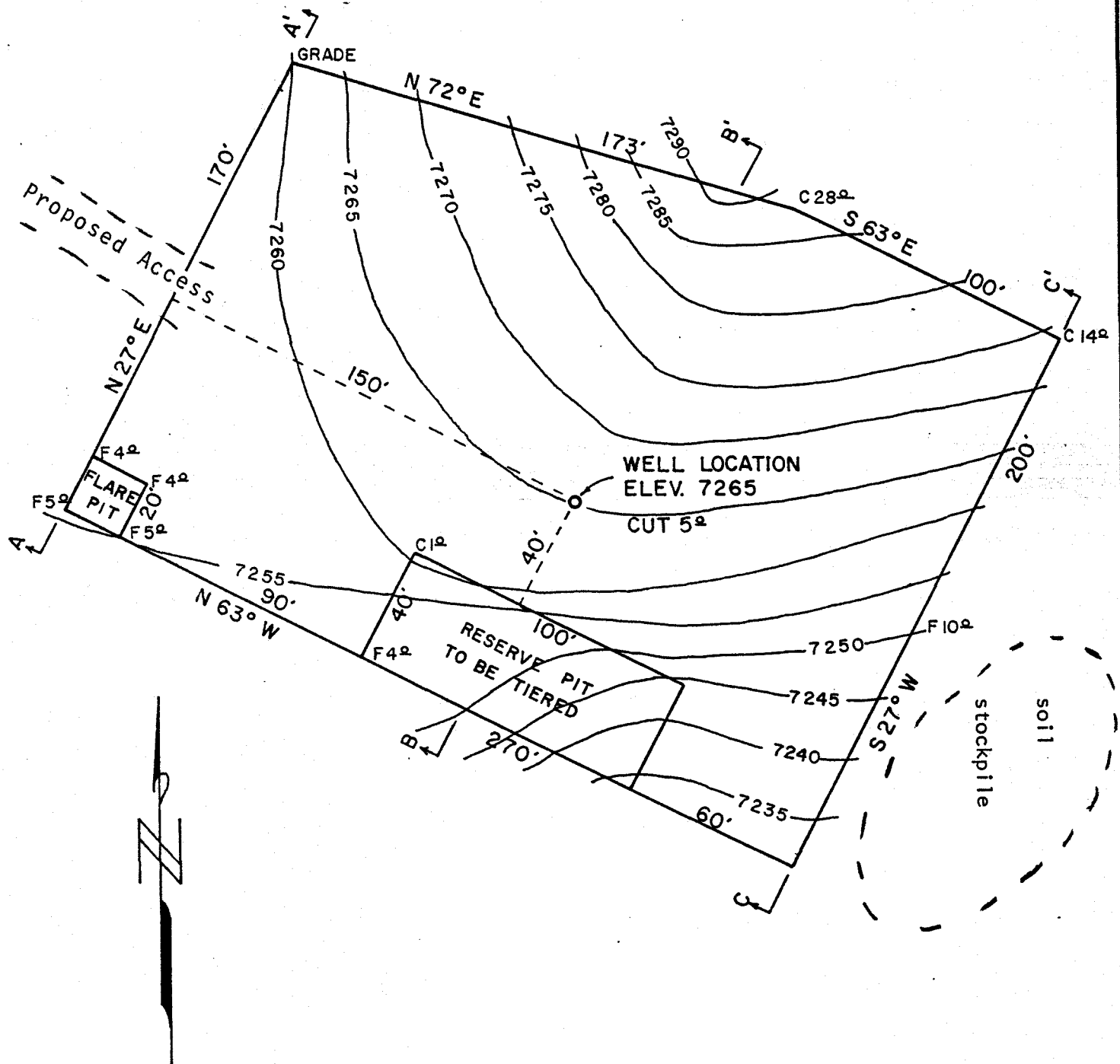






# PAD LAYOUT

SAN ARROYO UNIT 40



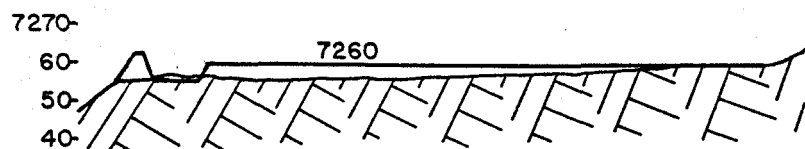
Plat No. 5

SCALE 1" = 50'

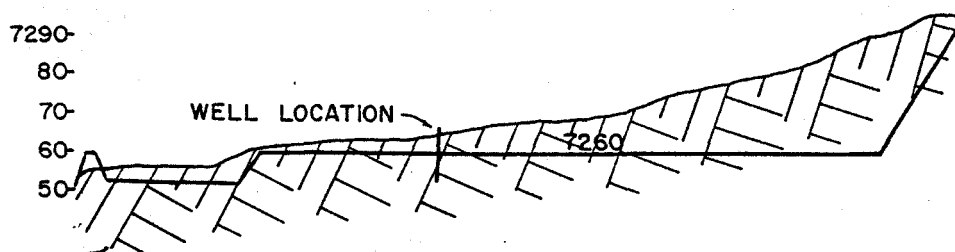
SHEET 2 OF 3

# CROSS SECTIONS

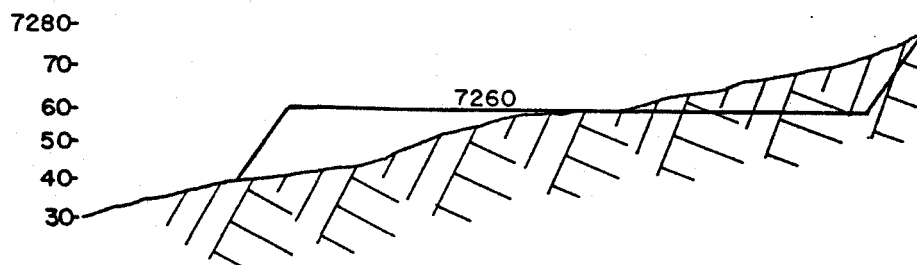
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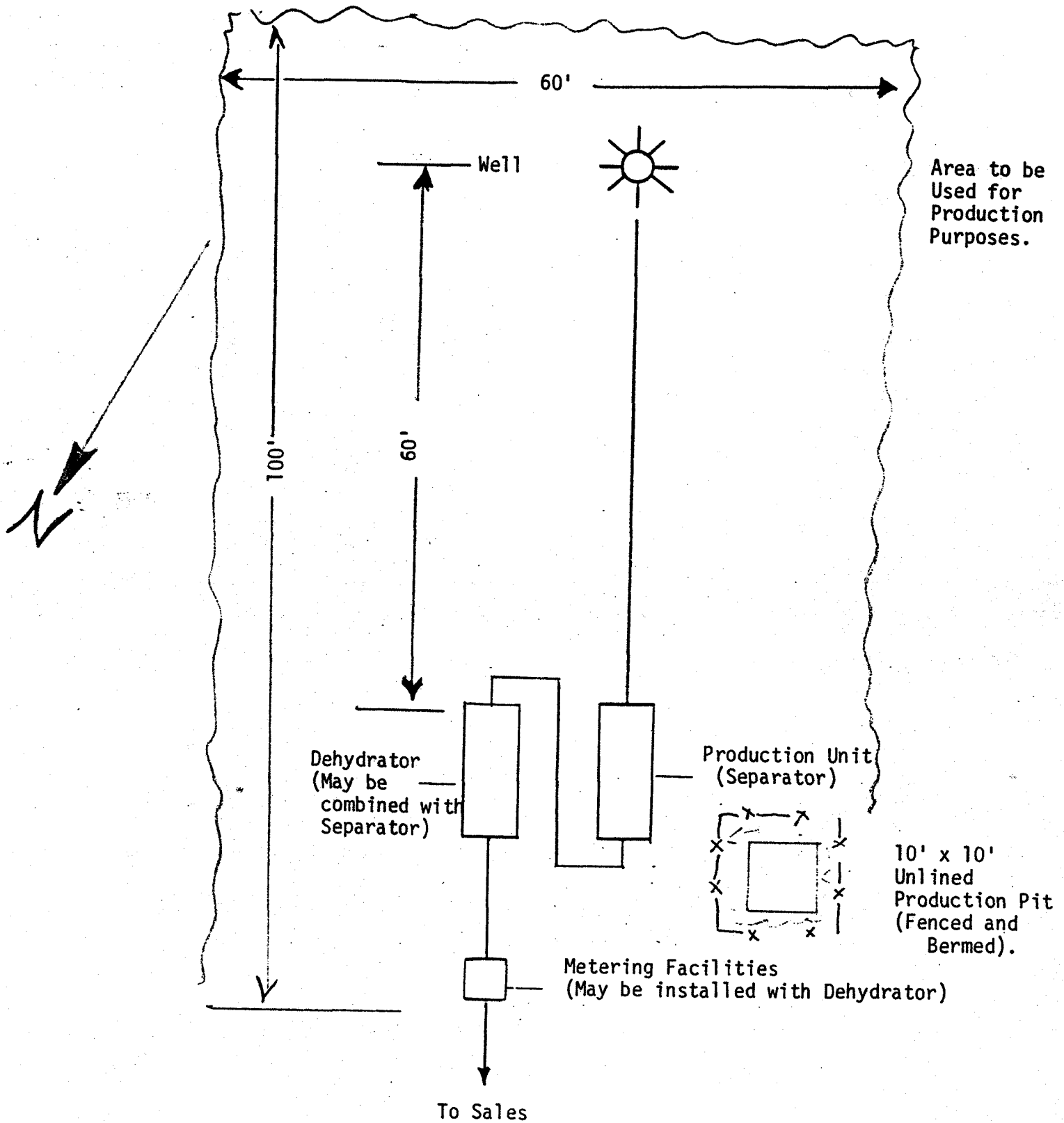


## SECTION B - B'



## SECTION C - C'





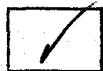
111912

OPERATOR Smith Corp DATE 11-17-87  
WELL NAME San Annyo Unit 40  
SEC NW NE 27 T 16S R 25E COUNTY Grant

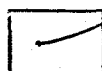
43-019-31250  
API NUMBER

Lease  
TYPE OF LEASE

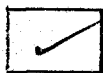
CHECK OFF:



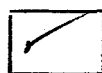
PLAT



BOND

NEAREST  
WELL

LEASE



FIELD

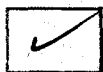
POTASH OR  
OIL SHALE

PROCESSING COMMENTS:

Unit WellWater R - Colorado

APPROVAL LETTER:

SPACING:



R615-2-3

San Annyo  
UNIT

R615-3-2



CAUSE NO. &amp; DATE



R615-3-3

STIPULATIONS:

0218T



155 N. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84120-1203 • 801-538-5340

November 18, 1987

Birch Corporation  
3301 E. Florida Avenue, Suite 900  
Denver, Colorado 80212

Gentlemen:

Re: San Arroyo Unit #40 - NW NE Sec. 27, T. 16S, R. 25E  
739' FNL, 1443' FEL - Grand County, Utah

Approval to drill the referenced well is hereby granted in accordance with Section 40-6-18, Utah Code Annotated, as amended 1983; and predicated on Rule R615-2-3, Oil and Gas Conservation General Rules.

In addition, the following actions are necessary to fully comply with this approval:

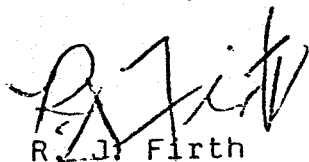
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form to the Division within five working days of the time that the well is spudded or a change in operations or interests necessitates a change in entity status.
3. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
4. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
5. Compliance with the requirements of Rule R615-3-22, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

Page 2  
Firth Corporation  
San Arroyo Unit #40  
November 18, 1987

6. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at the drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-019-31250.

Sincerely,



R. J. Firth  
Associate Director, Oil & Gas

ES  
Enclosures 4  
cc: Branch of Fluid Minerals  
D R. Nielson  
8159T

010608

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL  
WELL ☐

GAS  
WELL ☒

OTHER

2. NAME OF OPERATOR

Birch Corporation

3. ADDRESS OF OPERATOR

3801 E. Florida, Suite 900, Denver, CO 80212

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

739 FNL 1443 FEL

At proposed prod. zone

NA

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

28.6 miles NW of Mack, Colorado

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

1000'

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

150'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

16. NO. OF ACRES IN LEASE

1000'

19. PROPOSED DEPTH

6400'

17. NO. OF ACRES ASSIGNED

TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START\*

November 15, 1987

PROPOSED CASING AND CEMENTING PROGRAM.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

*Long Arnes*

TITLE Operations Manager

DATE

11/16/87

(This space for Federal or State office use)

PERMIT NO.

43-019-31250

APPROVAL DATE

APPROVED BY

/s/ Kenneth V. Rhea

TITLE

DISTRICT MANAGER

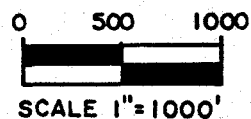
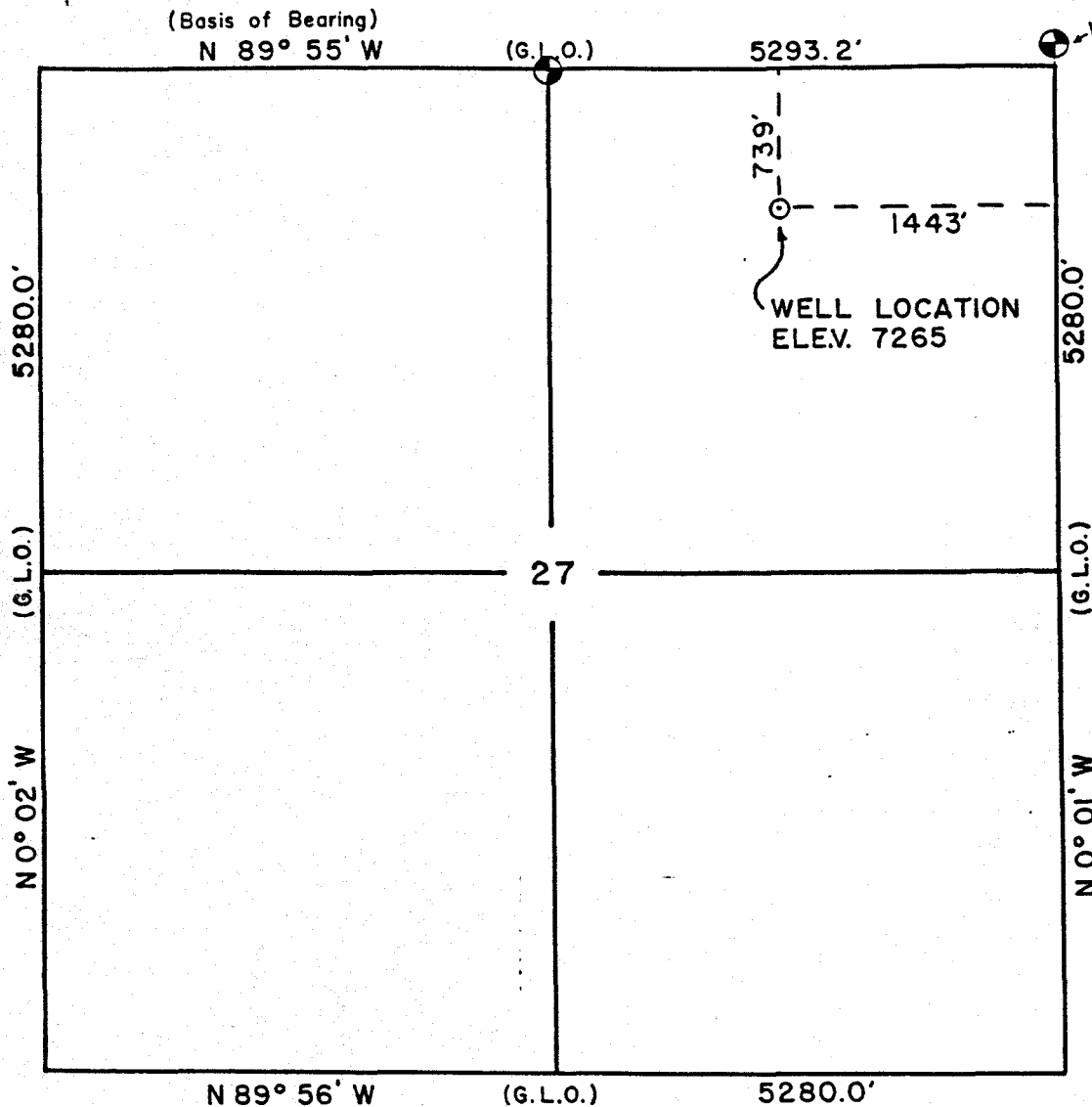
DATE

DEC 28 1987

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

FLARING OR VENTING OF  
GAS SUBJECT TO NTL 4-A  
DATED 1/1/80



U.S.G.L.O.  
BRASS CAP  
1923

WELL LOCATION  
739 FT.S.N.L. - 1443 FT.W.E.L.  
SECTION 27, T. 16 S., R. 25 E., S.L.B. & M.

SURVEYOR'S CERTIFICATE

I, MICHAEL W. DRISSEL, A REGISTERED LAND SURVEYOR IN THE STATE OF UTAH, DO HEREBY CERTIFY THAT THE SURVEY WAS MADE UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT REPRESENTS SAID SURVEY.

REGISTERED LAND SURVEYOR  
No. 6934  
MICHAEL W. DRISSEL  
MICHAEL W. DRISSEL  
L.S. 6934  
10-28-87



GORDON ENGINEERING, INC.  
ENGINEERING - SURVEYING

Date 10-26-87

Drawn by SLH

Checked by MWD

Survey date 10-20-87

SAN ARROYO  
UNIT 40

Sheet 1 of 3

Job # 87026

Birch Corporation  
Well No. San Arroyo Unit 40  
SEc. 27, T. 16 S., R. 25 E.  
Grand County, Utah  
Lease U-0370-A

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

The Birch Corporation is the bonded entity on this application. Liability will remain with the bonded party named above until we are formally notified by letter of the new bonded entity in reference to this Application for Permit to Drill.

A. DRILLING PROGRAM

B.O.P.E. will be consistent with API RP 53.

B. SURFACE USE PROGRAM

Immediately upon completion of drilling, the location, and surrounding areas will be cleared of all remaining debris, materials, trash, and junk not required for production.

If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to the appropriate rental, or other financial obligation determined by the authorized officer.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

The following seed mixture will be used:

| <u>Species</u>                       | <u>lbs/acre</u> |
|--------------------------------------|-----------------|
| <u>Grasses</u>                       |                 |
| Western wheatgrass                   | 3               |
| Smooth brome grass                   | 3               |
| Intermediate or pubescent wheatgrass | 3               |
| <u>Shrubs</u>                        |                 |
| Fourwing saltbrush                   | 3               |
| Prostrate kochia (summer cypress)    | <u>2</u>        |
|                                      | 14 lbs/ac       |

Broadcast seed will be applied at double the above rate.

Final location release will be issued when the seeding is shown to be successful (when perennial vegetation is established).

### NOTIFICATIONS

Notify the Grand Resource Area, at (801) 259-8193 for the following:

2 days prior to commencement of dirt work, construction or reclamation;

1 day prior to spudding;

1 day prior to pressure testing of BOPE.

Your contact with the Grand Resource Area Office is:

Jeff Robbins

Office Phone (801) 259-8193

Home Phone (801) 259-7964

Grand Resource Area office address:

Grand Resource Area  
Sand Flats Road, P.O. Box M  
Moab, Utah 84532

Notify the Moab District Office, Branch of Fluid Minerals, at (801) 259-6111 for the following:

No well abandonment operations will be commenced without the prior approval of the District Manager. In the case of newly drilled dry holes, and in emergency situations, verbal approval can be obtained by calling the following individuals, in the order listed.

Dale Manchester, Petroleum Engineer      Office Phone: (801) 259-6111  
Home Phone: (801) 259-6038

Lynn Jackson, Chief, Branch of Fluid Minerals  
Office Phone (801) 259-6111  
Home Phone (801) 259-7990

Paul Brown, I&E Coordinator      Office Phone (801) 259-6111  
Home Phone (801) 259-7018

24 hours advance notice is required for all abandonments.

022301

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

API #43-019-31250

NAME OF COMPANY: BIRCH CORPORATIONWELL NAME: SAN ARROYO #40SECTION NW NE 27 TOWNSHIP 16S RANGE 25E COUNTY GRANDDRILLING CONTRACTOR VECORIG # 3SPUDDED: DATE 2-16-87 ESTIME 12:45 PMHOW RotaryDRILLING WILL COMMENCE REPORTED BY Sandy Peavey/Gordon EngineeringTELEPHONE # (303) 245-1958DATE 2-16-88 SIGNED JRB



030903

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

|  |  |  |                   |
|--|--|--|-------------------|
| 1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>   |  | 5. LEASE DESIGNATION AND SERIAL NO.<br>U-0370-A 0-1.                   |                   |
| 2. NAME OF OPERATOR<br>Birch Corporation   |  | IF INDIAN, ALLOTTEE OR TRIBE NAME                                      |                   |
| 3. ADDRESS OF OPERATOR<br>3801 East Florida Avenue, Suite 900 Denver, CO 80210   |  | UNIT AGREEMENT NAME<br>San Arroyo                                      |                   |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.<br>See also space 17 below.)<br>At surface<br>739' FNL 1443' FEL |  | 8. FARM OR LEASE NAME<br>San Arroyo                                    |                   |
| 14. API NUMBER<br>43019-31250  |  | 9. WELL NO.<br>Unit #40  |                   |
| 15. ELEVATIONS (Show whether DP, RT, GR, etc.)<br>7265' GL 7274' KB  |  | 10. FIELD AND FOOT, OR WILDCAT   |                   |
|  |  | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA<br>Sec 27, T16S, R25E |                   |
|  |  | 12. COUNTY OR PARISH<br>Grand  | 13. STATE<br>Utah |

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

| NOTICE OF INTENTION TO: |                                     | SUBSEQUENT REPORT OF:   |                          |
|-------------------------|-------------------------------------|---|--------------------------|
| TEST WATER SHUT-OFF     | <input type="checkbox"/>            | WATER SHUT-OFF  | <input type="checkbox"/> |
| FRACTURE TREAT          | <input checked="" type="checkbox"/> | FRACTURE TREATMENT  | <input type="checkbox"/> |
| SHOOT OR ACIDIZE        | <input checked="" type="checkbox"/> | SHOOTING OR ACIDIZING   | <input type="checkbox"/> |
| REPAIR WELL             | <input type="checkbox"/>            | (Other)   | <input type="checkbox"/> |
| (Other) Completion      | <input checked="" type="checkbox"/> | (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) |                          |

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

This well was spudded at 12:45 pm on February 16, 1988, and a 12-1/4" hole drilled to a depth of 380 feet. Run 9 joints of 9-5/8" used 40.5 lb/ft casing totaling 358.70 feet and land at 367' K.B. Cemented with 500 sx regular cement containing 2% CaCl<sub>2</sub> and 1/4#/sx cellophane. Plug down at 1:00 pm 2/17/88. Cemented to surface. Drill a 7-7/8" hole to 6400 feet and run Schlumberger FDC-CNL, DIL-SFL, and NGT logs. Run 155 joints 4-1/2" 11.6 #/ft N-80 casing totaling 6386 feet. Casing landed at 6396' K.B. and cemented with 300 sx 10-0 RFC cement. Plug down at 3:15 pm 2/24/88. Rig down and move off. We plan to begin completion procedure as per the attached procedure.

18. I hereby certify that the foregoing is true and correct

SIGNED Sammy Davis TITLE Operations Manager DATE 2/26/88

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

## COMPLETION PROCEDURE

SAN ARROYO UNIT WELL #40  
SAN ARROYO FIELD  
GRAND COUNTY, UTAH  
ENTRADA ZONE

- LOCATION: 739' FNL, 1443' FEL, Section 27, T16S, R25E, Grand County, Utah.
- ELEVATIONS: 7265' GL, 7274' KB., NOTE: All depths refer to K.B. measurement which is 10 foot above ground level.
- TUBULARS: 4-1/2" new 11.6 lb/ft N-80 range 3 casing set at 6396' K.B., float at 6355 feet.  
Pressure Limits: Burst 7780 psig  
Collapse 6350 psig.  
Note: Limit maximum internal pressure to 6500 psig.
- PROCEDURE:
1. Move in completion unit and rig up. Install BOP's and rig up Dyna-Jet. Run a Gamma-Ray cement bond log from PBD to the cement top which should be around 4750 feet. Clean out to 6340 feet if necessary.
  2. Pressure test casing to 6500 psig and run in hole with 2-3/8" tubing to 6330 feet. Swab fluid level down to 6100 feet and pull tubing.
  3. Rig up Dyna-Jet and perforate 6330' - 6337' with 1 JSPF or a total of 8 holes. Use a 3-1/8" casing gun and premium charges.
  4. Run tubing and swab test well. If zone is water productive, set a Cast Iron Bridge Plug at 6300 feet and dump 2 sacks of cement on top.
  5. If zone is productive, then flow test well until it cleans up and run a pressure build-up test. Break down with 500 gallons 15% HCl containing inhibitor, clay stabilizer, iron sequestering agent, and a non-ionic surfactant prior to flow testing if necessary.
  6. Set a Retreivable Bridge Plug at 6220 feet and perforate the Upper Entrada at:

|              |        |                |
|--------------|--------|----------------|
| 6187 - 6191' | 1 JSPF | Total 5 holes  |
| 6177 - 6181' | 1 JSPF | Total 5 holes  |
| 6143 - 6157' | 1 JSPF | Total 15 holes |

Use a 3-1/8" casing gun and premium shots. Prior to perforating, make sure fluid level is approximately 5900 feet.
  7. Run tubing and swab test well. If both zones are water productive, set a Cast Iron Bridge Plug at 6100 feet and dump 2 sacks of cement on top. A supplemental procedure will be provided later.

PROCEDURE:  
Continued

8. If zone is productive, flow test until well clean-up and run a pressure build up test. If necessary, break down with 1000 gallons 15% HCl as above and 50 ball sealers. Flow test after break down.
9. Kill well, remove lower Retreivable Bridge Plug and run a plastic lined tubing string with a packer. Set packer at 6100 feet and flow well to clean up. Place well into production.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE\*

(See other instructions on reverse side)

Form approved.  
Budget Bureau No. 1004-0137  
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.  
U-0370-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

San Arroyo

8. FARM OR LEASE NAME

San Arroyo

9. WELL NO.

Unit #40

10. FIELD AND POOL, OR WILDCAT  
Sec 27, T16S, R25E

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

12. COUNTY OR PARISH  
Grand

13. STATE  
Utah

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other \_\_\_\_\_

b. TYPE OF COMPLETION: NEW WELL ☐ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. REVR. ☐ Other \_\_\_\_\_

2. NAME OF OPERATOR

Birch Corporation

3. ADDRESS OF OPERATOR

3801 East Florida Ave Suite #900 Denver Co 80210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*

At surface 739' FNL 1443' FEL

At top prod. interval reported below

At total depth

14. PERMIT NO.

43-019-31250

DATE ISSUED

11-18-87

15. DATE SPUDDED

2-16-88

16. DATE T.D. REACHED

2-24-88

17. DATE COMPL. (Ready to prod.)

3-28-88

18. ELEVATIONS (DF, RKB, RT, OR, ETC.)\*

7265 GL 7274 KB

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

6400

21. PLUG, BACK T.D., MD & TVD

6358'

22. IF MULTIPLE COMPL., HOW MANY\*

3

23. INTERVALS DRILLED BY

ROTARY TOOLS

X

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*

Entrada 6142-6167, 6168-6190, 6330-6337

25. WAS DIRECTIONAL SURVEY MADE  
No

26. TYPE ELECTRIC AND OTHER LOGS RUN

FDC-ONL, DIL-SFL, NGT, GR-CBL

880400

27. WAS WELL CORED  
No

28. CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE | CEMENTING RECORD                  | AMOUNT PULLED |
|-------------|-----------------|----------------|-----------|-----------------------------------|---------------|
| 9-5/8       | 40.5#           | 367 KB         | 12 1/4"   | 500 sx reg. +2% CaCl <sub>2</sub> |               |
| 4 1/2       | 11.6# N-80      | 6396 KB        | 7-7/8     | 300 sx 10-0 RFC                   |               |
|             |                 |                |           |                                   |               |
|             |                 |                |           |                                   |               |

29. LINER RECORD

| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) |
|------|----------|-------------|---------------|-------------|
|      |          |             |               |             |
|      |          |             |               |             |

30. TUBING RECORD

| SIZE  | DEPTH SET (MD) | PACKER SET (MD) |
|-------|----------------|-----------------|
| 2-3/8 | 6110-6210      | 6099.5          |
|       |                | 6210            |

31. PERFORATION RECORD (Interval, size and number)

6330-6337 8 shots  
6168-6190 24 shots  
6142-6167 25 shots

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
|---------------------|----------------------------------|
|                     | see attachment                   |
|                     |                                  |
|                     |                                  |

33.\* PRODUCTION

| DATE FIRST PRODUCTION |                 | PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) |                         |            |            | WELL STATUS (Producing or shut-in) |               |
|-----------------------|-----------------|--|-------------------------|------------|------------|------------------------------------|---------------|
| 3/ 1/88               |                 | Flowing  |                         |            |            | waiting on connection              |               |
| DATE OF TEST          | HOURS TESTED    | CHOKE SIZE   | PROD'N. FOR TEST PERIOD | OIL—BBL.   | GAS—MCF.   | WATER—BBL.                         | GAS-OIL RATIO |
| 3/19/88               | 24              | 40/64  | →                       | 0          | 5.392 mmcf | 0                                  | NA            |
| FLOW. TUBING PRESS.   | CASING PRESSURE | CALCULATED 24-HOUR RATE  | OIL—BBL.                | GAS—MCF.   | WATER—BBL. | OIL GRAVITY-API (CORR.)            |               |
|                       | 540             | →  | 0                       | 5.392 mmcf | 0          | 0                                  |               |

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

vented

TEST WITNESSED BY

T.J. Price

35. LIST OF ATTACHMENTS

see attachment

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

*Tommy Price*

TITLE

Operations Manager

DATE

4/13/88

\*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

38. GEOLOGIC MARKERS

| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. | NAME        | TOP         |                  |
|-----------|-----|--------|-----------------------------|-------------|-------------|------------------|
|           |     |        |                             |             | MEAS. DEPTH | TRUE VERT. DEPTH |
|           |     |        |                             | Mesaverde   | surface     | 1477             |
|           |     |        |                             | Mancos      | 1487        | 1825             |
|           |     |        |                             | Castlegate  | 1835        | 5232             |
|           |     |        |                             | Dakota Silt | 5242        | 5384             |
|           |     |        |                             | Dakota      | 5394        | 5436             |
|           |     |        |                             | Cedar Mtn   | 5446        | 5618             |
|           |     |        |                             | Morrison    | 5628        | 6138             |
|           |     |        |                             | Entrada     | 6148        |                  |

San Arroyo Unit #40  
Sec. 27 T16S-R25E  
Grand County, Utah

-----

2-9-88 - Confirmed with dirt contractor that location is complete.

No report until 2-17-88.

2-17-88 - Present operations: drlg. 1st day. 349 ft. 24 hrs. Mesa Verde. Depth 349'. WOB: All. Hook 38,000. RPM 70-80. Drlg - Air bit. Re-run. 12 1/4" Smith. Open jets. In at 0. Made 349'. 17 1/2 hrs. Breakdown: Drlg 17 1/4 hrs, Survey 1/2, RU rig & air 5, drl & set rathole 1 1/4. Deviation 1/2 degree @ 133 ft. Cost: rig 5794, mud 1000, supervision 300, water 500. Operations: RU rig & air compressor. Drill & set rathole. Drl 12 1/4" hole. Spud 12:45 pm 12-16-88. Drlg 12 1/4" hole w/ air.

DC: \$7894

CC: \$7894

12-18-88 - Present operations: WOC. 2 days since spud. 31 ft made past 24 hrs. Mesa Verde. Depth: 380'. WOB: 40,000. Hook load 40,000. 70-80 RPM. #1 pump size: air. Bit #1, 18271 12 1/4" RR. Footage & hrs: 380' in 18 hrs. Hours: drlg 3/4, surv 3/4, Run 9 5/8" 2 1/4, cement 2 hrs, WOC 4 hrs, Stage cement down backside & WOC 12 hrs. Deviation: 1 degree at 349'. Run survey and finish drlg 12 1/4" hole to 380 ft. Blow hole, rig up and run 9 jts 40.5# 9 5/8" used casing. Total plus shoe - 358.70'. Landed at 367 KB. Pump 50 bbl gelled water followed by 200 sx of reg cement containing 2% CaCl2 and 1/4# celloflake. Plug down at 1:00 pm 2/17/88. No returns. Cement down about 60 - 70 ft. Pump 100 sx down backside w/ no returns. Wait on cement truck. Pump 50 sx down backside w/ no returns. Wait on cement. Pump 50 more sx down backside with no returns. Wait on cement. Pump 50 sx more down backside with no returns. Wait on cement and slug with LCM. Pump 25 sx with no returns. Cement down 50-60'. Slug with LCM and pump 25 sx. Cement to surface. Wait on Cement.

DC: \$4105

CC: \$122,713

2-19-88 - 3 days since spud. 370 ft made past 24 hrs. Mesa Verde formation. 750'. WOB 16,000. Hook load 58,000. RPM 60. #1 pump size: Air. Circ press 120#. Bit #2: JD378, 8 1/2 HTC J-11, Open, In 380. Footage & hrs: 370' 6 hrs. Hours: Drlg 6, Trip 1, WO Rotating Head: 1, WOC 2, NU 7, Pressure test BOP's 1, PU BH Collar 1, Drlg cement & shoe 1 1/2, blow hole 1/2 hr. Costs: rig 6142, supervision 300, rental tools 75, Water 1240,

## San Arroyo Unit #40

-----  
 location 8515, trucking 175, wellhead equipment 900. WOC 2 hrs and back out landing jt. Nipple up. Pressure test BOP's, choke manifold & kelly cock to 1000 psig. Held ok. Pick up BH drill collar & break bell sub & bit off. Drill & set mousehole. Trip in hole & tag cement at 350'. Hook up oiler on head and pressure test pipe rams to 1000 psig. Held ok. Drill cement, shoe, and dry up hole. Drill & set mousehole. Trip in hole & tag cement at 350'. Hook up oiler on head and pressure test pipe rams to 1000 psig. Held ok. Drill cement, shoe, and dry up hole. Drill 8 1/2" hole to 750'.

DC: \$17,347

CC: \$45,301

2-20-88 - Present operation: drlg. 4 days since spud. 2122 ft made past 24 hrs. Formation: shale & sand. 2872'. WOB 14-18,000. Hook load 86,000. RPM 70-80. #1 pump size: air. Circ press 150. Bit #2 KB 378 8 1/2" HTC J-11. Open. In 380. Footage & hrs: 2492' 28 hrs. Hours: drlg 22, surv 2. Deviation 1 degree @ 842'. 2 degrees @ 1365'. 4 degrees @ 1893'. 6 degrees @ 2386'. Costs: Rig 35,255, supervision 300, rental tools 75, water 1250. Drlg & surv @ 842'. 1 degree. Drlg & survey @ 1365', 1903, 2396. Increase rotary speed to 90 & reduce weight to 14,000#.

DC: \$36,880

CC: \$82,181

2-21-88 - 1811 ft made past 24 hrs. Shale & sand. 4683'. WOB 16,000. Hook Load 106,000. RPM 80. Circ press 125. Bit #2 footage & hrs: 4303' 49 hrs. Hours: drlg 21, surv 2 1/4, repair 1/2, rig serv 1/4. Deviation: 5 degrees @ 2879. 6 1/2 degrees @ 3375. 6 degrees @ 3868'. 5 1/2 degrees @ 4362'. DC & DP No: 20- 6 x 4 1/2 XH DC. Costs: rig 30,062, supervision 300, mud logging 275, rental tools 75, water 1625. Survey/Drl to 4392'. Repair air head. Drlg ahead at 4683' w/ 16,000 st on bit. 80 RPM's. Small flare in Mancos A for 1 sec. Small flare in Niabrara for 3 sec. Flaring at each connection. Geological report: Mancos. Shale and Niabrara. Background gas = 120 units. Connection gas = 320 units with flares.

DC: \$32,927

CC: \$115,108

## San Arroyo Unit #40

-----  
 2-22-88 - 6 days since spud. 1005 ft made past 24 hrs. Mancos. 5688'. WOB 18-20,000. Load 112,000. RPM 60. Circ press 130. Bit #2 In 380. Out 4859. Footage & hrs: 4479 51 hrs. Bit #3: 25310 7 7/8" V537 open 4859. Footage & hrs: 829 12 3/4. Hours: drlg 14 3/4. Surv 1 1/2, trip 6, repair 1 3/4. Deviation: 8 1/2 degrees @ 4859'. 8 1/2 degrees @ 5360'. Costs: rig 16,683, supervision 300, mud logging 275, rental tools 75, water 500. Drlg, ran survey, wireline broke 700 ft off bottom. POOH. Retrieve wireline barrel out of crows foot & float w/ cutting torch. Check BOP. TIH, wait on welder & repair line. Drlg to 5370'. Run survey. Drlg ahead @ 5688'. 20 ft cont flare since 5470'. (Cedar Mtn.?) Geologic report:

## Geologic Report

Gas shows 5557'.  
 20 units - 400 units cont flare.  
 C1 - 1000 ppm - 35,000 ppm  
 C2 tr to 5700'  
 C3 0 - 1500.  
 C4 0 - tr.

## Est tops:

Dakota Silt - 5242'  
 Dakota - 5394'  
 Cedar Mtn. - 5446'  
 Morrison - 5628'

DC: \$17,833  
 CC: \$132,941

2-23-88 - Present operation: drlg. 7 days since spud. 694 ft drilled past 24 hrs. Entrada formation. 6382'. WOB 70,000, hook load 118,000. RPM 65. #1 pump size: 5 1/2 x 15. 650 circ press. Bit #3 25310 7 7/8" V-537. Jet size: open. In: 4859'. Footage & hrs: 1523 33 1/4. Hours: drlg 20 1/2, trip 1/2, mud up 3. Drlg fluid: 8.8# 62 visc. WL 6. PV 64. YP 14. Gels 3/7. 9.5 pH. F.C. 2 2/32. Sand: trace. CL 400. Solids 2%. CA 20. Alk .3/.6 DC & DP No, size, connection: 20 6" x 4 1/2" XH. Costs: rig 11,520, supervision 300, mud logging 275, rental tools 75, water 1400. Remarks: Drlg to 6148'. CP 130#-180. Flow line volume increased, more than double. POH 5 stds. Fill hole, mud up. TIH w/ 5 stds. Drl ahead. Bottoms up on first circ. Gas cut and aerated. Loggers on location 7:15 am. 2-23-88. Gas show @ 6146'. Total gas 1100 units - 800 units. C1 100,000. PPM - 130,000. PPM C2 10,000-15,000 PPM. C3 5000-7500 PPM. C4 500 - 2000. Background gas while drilling w/ mud 40-60 units. Est Entrada top: 6148'.

DC: \$13,570  
 CC: \$146,511



## San Arroyo Unit #40

-----  
 2-24-88 - Present operation: LD DP & DC. 8 days since spud. 18 ft made past 24 hrs. Entrada formation. 6400'. WOB 30,000. Hook load 110,000. RPM 65. 5 1/2 x 15. Circ press 650. Bit #3 25310 7 7/8" B-537 Jet size: open. In 4859. Out 6400. Footage & hrs: 1541 34 1/4 hrs. Hours: drlg 1. Trip 8 1/2. CO 5. Log well 4 3/4. LD DP & DC 4 3/4. Deviation: 8 degrees @ 6400'. Drlg fluid: 8.9#, visc 64. Costs: rig 2635. supervision 300. Mud logging 275. Rental tools 75. Water 600. Schlumberger 10,514. Misc 315. Remarks: drl to 6400'. Circ, short trip 15 stds. Circ drop survey. POOH. SLM out o.k. RU loggers. Log well. RD loggers. TIH. Had 10' fill. Circ. LD DP & DC.

DC: \$14,714  
 CC: \$161,225

2-25-88 - Present operations: Rigging down. Hours: cementing 1. Circ & reciprocate 1 1/4. LD DP & DC 1 1/2. RU & run csg 5 1/4. Set slips 1. ND cellar & drain up 3 hrs. Costs: rig 2,000, supervision 300, rental tools 75, Cement 5800, Casers 2300, 4 1/2" csg 38,400. Float equipment 1000, 4 - 5 const 235. Remarks: Finish LD DC & DP. RU & run 155 jts 4 1/2" 11.6# 8 rd N-80 csg plus shoe & float = 6386'. Landed at 6396' KB. Flowed at 6355. Circ & reciprocate. RU cementers. Rig broke circ - drop bottom plug. Pump 10 bbls water. SD, loaded top plug. Cement w/ 300 sks 10-0 RFC w/ 0.1% D74. Drop plug, displace w/ 101.7 bbls water. Plug did not bump. Release press & float held. Plug down. 3:16 pm 2/24/88. ND cellar, set slips, leave bits & drain up. Rig released at 6:00 pm. 2/24/88.

DC: \$50,110  
 CC: \$211,335

2-26-88 - Waiting on completion. Rig moved off.

2-27-88 - No report.

2-28-88 - Present operations: prep to clean out. Casing size: 4 1/2" 11.6# N-80 surf - 6396'. 3.92 ID. PBTD 6241. TD 6400. Move in and rig up completion unit. Install BOP. Rig up Dyna-Jet and run GR CBL from PBTD (6241') to 4500'. Cement top about 4200'. Good cement bond. Pick up tbg and run in hole w/ 96 jts. Call for power swivel, drill collars, casing scraper & mill. SDFN.

2-29-88 - Present operations: drill out cement. Remarks: Strapped & PU 108 jts tbg and TIH while waiting on dc's, mill bit, scraper, & power swivel. DC & truck had to be pulled up hill. Power swivel brought over from SAU #11. TOOHH w/ tbg. PU dc's & attempt to make up drilling tools. 2 3/8" reg pin bad on scraper, mill bit, & 6 dc's. TIH to top of dc's. PU XO sub from dc to tbg. TIH w/ 99 stds tbg & jt to 6241'. RU pwr

## San Arroyo Unit #40

(2-29-88 continued...)

swivel &amp; pump. Ready to drill.

|               |         |          |           |
|---------------|---------|----------|-----------|
| Mill bit      | 1.90'   | XO sub   | 1.68'     |
| Scraper       | 3.57'   | 1 jt tbg | 31.00'    |
| 2 3/8" dbl bx |         | 99 stds  | 6,086.04  |
| sub           | 1.45'   |          | -----     |
| 6 dc's        | 177.25' | Total    | 6,271.79' |

DC: \$1787

CC: \$6129

3-1-88 - Present operations: Swabbing & mixing KCl water. Casing size: 4 1/2" 11.6# N-80 surf - 6396'. 4.00 ID. PBTD 6241'. TD 6400'. Remarks: Drlg out cement to 6358'. Dumped flat tank & cleaned. RU Dowell & pressure test csg to 6500 psi for 15 min. Pressure held good. Made 7 swab runs to clean csg. SDON.

DC: \$3629

CC: \$9758

3-2-88 - Present operations: Blowing well. Remarks: Swab well down to 6000'. 10 bbl Kcl (3%) down casing and swab to 5950'. TOOH, LD dc's, std tbg back. RU and shot 1 JSPF 6330-6337', 8 shots. Gas blew perf gun up hole. Tangled wire line, hung tool in casing. Worked free. TOOH w/ perf gun. RU blow down line w/ 28/64" choke. Start flow test at 4:25 pm. 900# casing pressure. 5:00 pm 840#. 6:00 pm 800#. 7:00 800#. 8:00 805#. 9:00 pm 805#. Every hour until 7 am 3/2/88. Getting some drip gas.

DC: \$3716

CC: \$13,450

3-3-88 - Present operations: Downhole pressure test. PBTD 6358'. TD 6400'.

8:00 805 CP

9:00 805

10:00 805

11:00 RU Tefteller. TIH w/ temp tools. Corrected pressure 784# w/ Tefteller gauge.

11:30 784 CP Well Flowing

12:30 784 Well Flowing. Shut well in.

1:00 pm 790 CP

3:30 790 CP

San Arroyo Unit #40

-----  
3-3-88 continued ...

7 am, 3/3/88. 790 CP - Removed Tefteller gauge. Blew well through needle valve to check for blockage. Needle valve open - no blockage.

DC: \$4117  
CC: \$17,567

3-4-88 - Present operations: Shut in: preparing to run additional pressure test. Remarks: Pressure 790#. Removed the Tefteller press gauge and opened needle valve to check for blockage. Opened and cleared. Reinstalled press gauge & press 790#. Tripped press tool from 6300 to surf and start radiant traverse test starting at surface, 2000', 4000', 5900', 6100', and 6300'. There was no increase in press. Found 400' fluid in well. RD Tefteller & released at 3:00 pm. Closed blind rams. SDFN.

DC: \$1338  
CC: \$18,905

3-5-88 - Casing: 4 1/2" 11.6# N-80. Surf - 6396'. PBD 6358'. TD 6400#. RU Tefteller to run 2 point flow test. 400' fluid. TIH to 63 & set for 45 min. Open flow line w/ 28/64" choke.

|         |                      |                      |
|---------|----------------------|----------------------|
| 2:15 pm | 720#                 | Flow Rate 3504 MCF/D |
| 2:20    | Hole unloading fluid |                      |
| 2:30    | 757# light mist      |                      |
| 2:45    | 766# dry             |                      |
| 3:00    | 765#                 |                      |
| 3:15    | 761#                 |                      |
| 3:30    | 760#                 |                      |
| 3:45    | 761#                 |                      |
| 4:00    | 761#                 |                      |
| 4:15    | 690#                 | Flow Rate 7460 MCF/D |
| 4:30    | 730#                 |                      |
| 4:45    | 740#                 |                      |
| 5:00    | 751#                 |                      |
| 5:15    | 756#                 |                      |
| 5:30    | 761#                 |                      |
| 5:45    | 766#                 |                      |
| 6:00    | 770#                 |                      |
| Shut in |                      |                      |

## San Arroyo Unit #40

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(3-5-88 continued...)

## Shut in pressures:

|         |      |
|---------|------|
| 6:06 pm | 921# |
| 6:24    | 920# |
| 6:30    | --   |
| 6:36    | 917# |
| 6:42    | 915# |
| 6:48    | 912# |

DC: \$1803  
CC: \$20,708

3-6-88 - Present operations: Well shut in. W.O.O. Remarks: Casing Pressure: 910#. Tefteller gauge. Rig up Tefteller and run gradient traverse to depths of 2000', 4000', 5958', 6158', 6358'. Ran bailer & picked up fluid sample at 6358'. RD Tefteller and released @ 1:00 pm. Csg press 920# by our gauge. Closed blind rams.

DC: \$1800  
CC: \$22,508

3-7-88 - Casing pressure: 890#.

3-8-88 - 890# Casing pressure. Shut in.

3-9-88 - Prepare to perf Upper Dakota, CP 875#

DC: \$-0-  
CC: \$22,508

3-10-88 - 7 a.m. 72 hour shut in pressure 840#, cut off 2000' of Dyna Jet cable that was ruined when the perforations were shot at 6330'-6337'. RU Dyna Jet and TIH with 15 shot perforation, shot 15 shots 6330'-6337' and TOH with gun. 9:45 a.m. PU wire line bridge plug and TIH to 6225' and set plug. Blew well down, plug held. Fluid at 5400', added 5 bbls Kcl. TIH with perf gun and shot 24 holes from 6168'-6190'. TOH and PU 2nd perforating gun. TIH and shot 25 holes, 6142'-6167'. Fluid came to 3400' while TOH with perf gun. Pressure was 260# before blow down. Started blowing down at 1:45 p.m. with 2" open end. Hole started to unload in 13 minutes with full 2" stream. While well was making heavy mist, we put on a 40/64" and let blow until well was cleaned up at 3:00 p.m.

San Arroyo Unit #40

-----  
(3-10-88 continued...)

## Ran pressure buildup:

|           |      |
|-----------|------|
| 3:00 p.m. | 470# |
| 3:05 p.m. | 580# |
| 3:10 p.m. | 590# |
| 3:15 p.m. | 590# |
| 3:20 p.m. | 580# |
| 3:25 p.m. | 580# |
| 3:30 p.m. | 580# |
| 3:35 p.m. | 580# |
| 3:40 p.m. | 580# |

DC: \$6007

CC: \$28,515

3-11-88 - CP 600#, RU Tefteller to run Gradient Traverse Pressure test with stops at 2,000', 4,000', 5,000', 5,500', 5,766', 5,966', 6,166', and 6,220'. \*Fluid level was at 6,080'. TOH and put on new charts. TIH to 6,220' and start blow down test.

|           |      |
|-----------|------|
| 1:00 p.m. | 608# |
| 1:15 p.m. | 519# |
| 1:30 p.m. | 486# |
| 1:45 p.m. | 486# |
| 2:00 p.m. | 485# |
| 2:15 p.m. | 484# |
| 2:30 p.m. | 477# |
| 2:45 p.m. | 476# |
| 3:00 p.m. | 478# |
| 3:15 p.m. | 443# |
| 3:30 p.m. | 465# |
| 3:45 p.m. | 469# |
| 4:00 p.m. | 473# |
| 4:15 p.m. | 481# |
| 4:30 p.m. | 486# |
| 4:45 p.m. | 488# |
| 5:00 p.m. | 490# |
| 5:01 p.m. | 592# |
| 5:02 p.m. | 605# |
| 5:03 p.m. | 610# |

## San Arroyo Unit #40

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(3-11-88 - continued)

|           |      |
|-----------|------|
| 5:04 p.m. | 612# |
| 5:05 p.m. | 613# |
| 5:06 p.m. | 614# |
| 5:12 p.m. | 617# |
| 5:18 p.m. | 619# |
| 5:24 p.m. | 618# |
| 5:30 p.m. | 618# |
| 5:36 p.m. | 619# |
| 5:42 p.m. | 619# |

\*Bottom hole pressure 800#

DC: \$1120  
CC: \$29,635

3-12-88 - Casing pressure 619#. Run gradient traverse from bottom (6220') to surface. (Pressure 800# bottom) 6220, 6166, 5966, 5766, 4000, 2000, surface. Stopped at each level for 20 min. RD Tefteller and move to SAU #9. Surface pressure 619#. Very little fluid in the well.

DC: \$1120  
CC: \$30,756

3-13-88 - Tubing pressure 630#. Shut-in pressure build-up.

3-14-88 - Pressure 630#. Shut in for pressure build-up.

3-15-88 - Checking pressure build-up. PBTD 6358'. TD 6400'. Tubing pressure 630#. Tubing arrived - Will unload on location early a.m. 3/15/88.

DC: \$420  
CC: \$32,015

3-16-88 - Prepare to acidize upper Entrada section. 1:30 pm  
Tubing pressure 630#.

DC: \$420  
CC: \$32,435

3-17-88 - CP 630#. Kill well w/ 30 bbls KCl water. PU Mtn States pkr. TIH w/ 100 stds tbg. 6117 ft. Spot 2 sx 20/40 sand on top of BP. Pull 2 stds tbg, set pkr @ 6002'. RU Dowell, pump 2000 gal 15% HCl & drop 100 ball sealers. Break down w/ 2900#, pump rate 5 BPM @ 2450#. Ball off perf after 9 bbl flush. Attempt to surge balls off perfs 3 times. Could not clear perfs. RD Dowell. RU swab equip and swab back. 9 bbls acid water. Well started flowing. Pul well on 40/64" choke.

## San Arroyo Unit #40

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Left flowing to clean up. SDFN. Pumped a total of 97 bbls.

DC: \$4044  
CC: \$36,059

3-18-88 - Well flowing on 40/64" choke. Tbg press 215#. Flow rate 2.146 MCFD. Shut well in @ 10:00 am. Tbg press 550# one minute. 600# two minutes. 610# 5 minutes. 7:00 a.m. 3/18/88 630#.

DC: \$420  
CC: \$36,479

3-19-88 - Tbg press 630#. Pumped 10 bbls of KCl water down tbg. Released pkr. Pumped 10 more bbls of water down tbg. TIH & tag bottom at 6208'. Pull out of hole. RU to flow tst well up 4 1/2" csg. Dropped 5 soap sticks. SI well for 2 hrs. Csg press built to 120#. Opened well, well started unloading. Flow in 1 1/2 hrs. Flowed well 1 hr to clean up. Put on 40/64" choke. Left flowing overnight.

DC: \$1566  
CC: \$37,045

3-20-88 - Casing press 540#. Flow rate: 5.392 MMCFD. Shut in well.

3-22-88 - Well shut in. No report.

(No report until 3-26-88)

3-26-88 - PU Mtn States bailer. TIH. Tag at 6203'. Bail to BP @ 6225'. Could not latch the plug. POH. Retrieving head was plugged w/ frac balls. LD bailer. TIH w/ tbg, retrieving head for BP. Pump 10 bbls of water down tbg on top of plug. Release BP & POH. SDFN.

DC: \$2723  
CC: \$40,768

3-27-88 - Present operations: Test packers. RU Dyna Jet. Make 2 runs with junk basket & 3.86 gauge ring. Recovered sand & several pieces rubber. PU Otis WB packer w/ 4' seal bore extension, 6' pup jt, "R" nipple, 4' pup jt and pump out plug on bottom. Set packer @ 6210'. RD Dyna Jet. PU Otis M.B. hydraulic set packer w/ 8' seal bore extension, 3 jts plastic coated tbg & seal assembly with "J" latch. TIH. Latch into bottom packer with seals. Pressure up on tbg to set upper packer, Apparently blew ball seat & got circulation. Reverse cinc and try to pressure up again. Circulated. SI well for night.

San Arroyo Unit #40

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DC: \$3620  
CC: \$44,388

3-28-88 - Tbg & csg 0 pressure. Both standing full of fluid. Circ 5 bbls water. SI tbg & pressure csg to 550#. Hold 30 min with no pressure loss. Shear off packer. RU swab equip. Swab fluid down to 4000'. POOH. Laying down work string. ND BOP's. NU well head. Rig down rig.

DC: \$19,414  
CC: \$63,802

3-30-88 - Present operation: rig up Dowell to pump out plug. Will flow well to clean up and place into production. Note: snowing hard; plan to delay fracture treatments until storm clears.

3-31-88 - Present operations: Wait on connection. Remarks: RU Dowell to pump nitrogen. Pumped 145,000 scf of nitrogen. Plug blew at 3750# psi. Lay blow down line to reserve pit and blow well to clean and shut well in. Well flowed about 1 hr before cleaning up. Flowing hard.

DC: \$3695  
CC: \$67,492

No report until 4-3-88.

4-3-88 - Shut in: Waiting on connection to pipeline. SITP 930 psig, SICP 930 psig.

4-4-88 - Waiting on connection to pipeline.



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UT 84180-1203

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name & Number San Arroyo Unit #40  
Operator Birch Corporation Address 3801 East Florida Ave Denver CO 80210  
Contractor Veco Drilling Address 2457 Industrial Blvd. Grand Jct, CO  
Location NW 1/4 NE 1/4 Sec. 27 T. 16S R. 25E County Grand

Water Sands

|    | <u>Depth</u> |    | <u>Volume</u>     | <u>Quality</u> |
|----|--------------|----|-------------------|----------------|
|    | From         | To | Flow Rate or Head | Fresh or Salty |
| 1. | 0-367        |    | NONE              |                |
| 2. | 367-6382     |    | NONE              |                |
| 3. | 6382-6400    |    | Unknown-possible  | Unknown        |
| 4. |              |    |                   |                |
| 5. |              |    |                   |                |

(Continue on reverse side if necessary)

Formation Tops

Mesaverde:  
Mancos: 1487  
Castlegate: 1835  
Dakota Silt: 5242  
Dakota; 5394  
Cedar Mtn: 5446  
Morrison: 5628  
Entrada: 6148

Remarks

- NOTE: (a) Report on this form as provided for in Rule 806, Oil and Gas Conservation General Rules.
- (b) If a water analysis has been made of the above reported zone, please forward a copy along with this form.

ENTITY ACTION FORM - FORM 6

OPERATOR GRAHAM ROYALTY, LTD  
ADDRESS 12700 NORTHBOROUGH, #100  
HOUSTON, TEXAS 77067

OPERATOR ACCT. NO. N0505

| ACTION CODE  | CURRENT ENTITY NO. | NEW ENTITY NO. | API NUMBER   | WELL NAME           | WELL LOCATION |    |     |     |        | SPUD DATE | EFFECTIVE DATE |
|--|--------------------|----------------|--------------|---------------------|---------------|----|-----|-----|--------|-----------|----------------|
|  |                    |                |              |                     | QQ            | SC | TP  | RG  | COUNTY |           |                |
| C  | 10992              | 00500          | 43-019-31289 | SAN ARROYO UNIT #41 | NENE          | 36 | 16S | 25E | GRAND  | 6-15-89   | 7-5-89         |
| WELL 1 COMMENTS:<br>** OPERATOR CHANGE FROM LONE MOUNTAIN PRODUCTION COMPANY **<br>N7210   |                    |                |              |                     |               |    |     |     |        |           |                |
| C  | 10992              | 00500          | 43-019-31291 | SAN ARROYO UNIT #43 | NESE          | 29 | 16S | 25E | GRAND  | 6-26-89   | 7-14-89        |
| WELL 2 COMMENTS: ** SEE ATTACHED SUNDRY'S, WELLS ARE A PART OF THE SAN ARROYO UNIT, DK-MR P.A., OPERATOR GRAHAM ROYALTY, LTD., ENTITY 00500 IS ASSIGNED TO THAT FORMATION. RECORDS WILL BE CHANGED TO REFLECT THE ABOVE ON 11-13-89 EFFECTIVE AT THE TIME OF COMPLETION. |                    |                |              |                     |               |    |     |     |        |           |                |
|  |                    |                |              |                     |               |    |     |     |        |           |                |
| WELL 3 COMMENTS:<br>** COPY SENT TO GRAHAM ROYALTY, LTD.   |                    |                |              |                     |               |    |     |     |        |           |                |
|  |                    |                |              |                     |               |    |     |     |        |           |                |
| WELL 4 COMMENTS:   |                    |                |              |                     |               |    |     |     |        |           |                |
|  |                    |                |              |                     |               |    |     |     |        |           |                |
| WELL 5 COMMENTS:   |                    |                |              |                     |               |    |     |     |        |           |                |

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)

LISHA ROMERO/OIL, GAS & MINING  
Signature

ADMIN. ANALYST  
Title

11-13-89  
Date

Phone No. (801) 538-5340

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*  
(Other instructions on re-  
verse side)

Form approved.  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT" for such proposals.)

APR 18 1988

1. OIL WELL ☐ GAS WELL ☒ OTHER

2. NAME OF OPERATOR

Birch Corporation

DIVISION OF

OIL, GAS & MINING

3. ADDRESS OF OPERATOR

3801 East Florida Ave Suite #900 Denver CO 80210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*

See also space 17 below )

At surface

739' FNL 1443' FEL

14. PERMIT NO.

43-019-31250

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

7265 GL 7274 KB

5. LEASE DESIGNATION AND SERIAL NO

U-0370-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

San Arroyo

8. FARM OR LEASE NAME

San Arroyo

9. WELL NO.

Unit #40

10. FIELD AND POOL, OR WILDCAT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 27, T16S, R25E

12. COUNTY OR PARISH

Grand

13. STATE

Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON\*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

This well was completed as per the attached procedure. Completion commenced on 2-28-88 and finished 3-28-88.

18. I hereby certify that the foregoing is true and correct

SIGNED

TITLE Operations Manager

DATE

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

## SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

|   |  |  |
|---|--|--|
| 1.<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>                 |  | 5. LEASE DESIGNATION AND SERIAL NO.              |
| 2. NAME OF OPERATOR<br>Graham Royalty, Ltd.   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME             |
| 3. ADDRESS OF OPERATOR<br>1675 Larimer Street, Suite 400, Denver, Colorado 80202  |  | 7. UNIT AGREEMENT NAME                           |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)<br>At surface |  | 8. FARM OR LEASE NAME                            |
| 14. PERMIT NO.  |  | 9. WELL NO.                                      |
| 15. ELEVATIONS (Show whether DF, ST, GR, etc.)  |  | 10. FIELD AND POOL, OR WILDCAT                   |
| 16. DIVISION OF OIL, GAS & MINING   |  | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA |
|   |  | 12. COUNTY OR PARISH 13. STATE                   |

MAY 01 1989

## 16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

## NOTICE OF INTENTION TO:

|  |   |
|--|---|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/>      | MULTIPLE COMPLETE <input type="checkbox"/>    |
| SHOOT OR ACIDIZE <input type="checkbox"/>    | ABANDON* <input type="checkbox"/>             |
| REPAIR WELL <input type="checkbox"/>         | CHANGE PLANS <input type="checkbox"/>         |
| (Other) <input type="checkbox"/>             |   |

## SUBSEQUENT REPORT OF:

|  |  |
|--|--|
| WATER SHUT-OFF <input type="checkbox"/>                        | REPAIRING WELL <input type="checkbox"/>  |
| FRACTURE TREATMENT <input type="checkbox"/>                    | ALTERING CASING <input type="checkbox"/> |
| SHOOTING OR ACIDIZING <input type="checkbox"/>                 | ABANDONMENT* <input type="checkbox"/>    |
| (Other) <input checked="" type="checkbox"/> Change of Operator |  |

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) \*

Effective April 1, 1989 Graham Royalty, Ltd. took over as operator from Birch Corporation on various wells in the San Arroyo Field.

The attached Exhibit shows a list of wells and their location.

18. I hereby certify that the foregoing is true and correct

SIGNED Wilbur L. DwyerTITLE Vice PresidentDATE April 25, 1989

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_

TITLE \_\_\_\_\_

DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

|            |    |              |                       |               |
|------------|----|--------------|-----------------------|---------------|
| San Arroyo | 1  | Entrada Unit | SE NW Sec. 26-16S-25E | Grand Co., UT |
| San Arroyo | 2  | Entrada Unit | SE NW Sec. 22-16S-25E | Grand Co., UT |
| San Arroyo | 3  | Entrada Unit | SE NW Sec. 23-16S-25E | Grand Co., UT |
| San Arroyo | 5  | Entrada Unit | NW SE Sec. 25-16S-25E | Grand Co., UT |
| San Arroyo | 6  | Entrada Unit | SW NE Sec. 21-16S-25E | Grand Co., UT |
| San Arroyo | 40 | Entrada Unit | NW NE Sec. 27-16S-25E | Grand Co., UT |

|            |     |             |                       |               |
|------------|-----|-------------|-----------------------|---------------|
| San Arroyo | 4   | Dakota Unit | SE SW Sec. 30-16S-26E | Grand Co., UT |
| San Arroyo | 8   | Dakota Unit | SW SW Sec. 16-16S-25E | Grand Co., UT |
| San Arroyo | 9   | Dakota Unit | NW NE Sec. 27-16S-25E | Grand Co., UT |
| San Arroyo | 11  | Dakota Unit | NE SW Sec. 15-16S-25E | Grand Co., UT |
| San Arroyo | 12  | Dakota Unit | SW SW Sec. 23-16S-25E | Grand Co., UT |
| San Arroyo | 13  | Dakota Unit | NE SW Sec. 22-16S-25E | Grand Co., UT |
| San Arroyo | 16  | Dakota Unit | SE SW Sec. 26-16S-25E | Grand Co., UT |
| San Arroyo | 17  | Dakota Unit | NE NE Sec. 24-16S-25E | Grand Co., UT |
| San Arroyo | 18  | Dakota Unit | NW NW Sec. 30-16S-26E | Grand Co., UT |
| San Arroyo | 19  | Dakota Unit | SW SE Sec. 14-16S-25E | Grand Co., UT |
| San Arroyo | 20  | Dakota Unit | SE NE Sec. 26-16S-25E | Grand Co., UT |
| San Arroyo | 21  | Dakota Unit | NW SE Sec. 25-16S-25E | Grand Co., UT |
| San Arroyo | 22  | Dakota Unit | NE NE Sec. 15-16S-25E | Grand Co., UT |
| San Arroyo | 24  | Dakota Unit | SE NW Sec. 19-16S-25E | Grand Co., UT |
| San Arroyo | 25  | Dakota Unit | SW NE Sec. 21-16S-25E | Grand Co., UT |
| San Arroyo | 26  | Dakota Unit | SW SW Sec. 20-16S-26E | Grand Co., UT |
| San Arroyo | 27  | Dakota Unit | NE SW Sec. 29-16S-26E | Grand Co., UT |
| San Arroyo | 28  | Dakota Unit | NW NE Sec. 29-16S-26E | Grand Co., UT |
| San Arroyo | 29  | Dakota Unit | NE NE Sec. 22-16S-26E | Grand Co., UT |
| San Arroyo | 30  | Dakota Unit | NW SW Sec. 21-16S-26E | Grand Co., UT |
| San Arroyo | 31  | Dakota Unit | NW NW Sec. 22-16S-25E | Grand Co., UT |
| San Arroyo | 32  | Dakota Unit | SW SW Sec. 14-16S-25E | Grand Co., UT |
| San Arroyo | 33  | Dakota Unit | SW SW Sec. 25-16S-25E | Grand Co., UT |
| San Arroyo | 35  | Dakota Unit | SE SW Sec. 24-16S-25E | Grand Co., UT |
| San Arroyo | 36A | Dakota Unit | SE SE Sec. 19-16S-26E | Grand Co., UT |
| San Arroyo | 37  | Dakota Unit | SW NE Sec. 20-16S-26E | Grand Co., UT |
| San Arroyo | 38  | Dakota Unit | SW NE Sec. 16-16S-25E | Grand Co., UT |

|                  |                       |               |
|------------------|-----------------------|---------------|
| Arco Fed. 27-1   | NW SW Sec. 27-16S-25E | Grand Co., UT |
| Arco State 2-1   | NW SW Sec. 2-16S-24E  | Grand Co., UT |
| Arco State 2-2   | NW SW Sec. 2-16S-24E  | Grand Co., UT |
| Arco State 36-7  | NW SW Sec. 36-15S-24E | Grand Co., UT |
| Arco State 36-8  | NW SW Sec. 36-15S-24E | Grand Co., UT |
| Federal 174-1    | SE SW Sec. 11-16S-25E | Grand Co., UT |
| Bittercreek #1   | SE SW Sec. 2-16S-25E  | Grand Co., UT |
| Black Horse 31-1 | SE SW Sec. 31-15S-24E | Utah Co., UT  |
| Fed. Gilbert #1  | SE SW Sec. 31-15S-24E | Grand Co., UT |

↪ per Jackie Cannon from Buch, Graham Royalty does not own  
 this well. JS 5/15/84

UTAH  
NATURAL RESOURCE  
Oil, Gas & Mining355 West North Temple, 3 Triad Center, Suite 350, Salt Lake City, Ut  
84180-1203. • (801-538-5340)Page 3 of 5

## MONTHLY OIL AND GAS PRODUCTION REPORT

Operator name and address:

• GRAHAM ROYALTY, LTD.  
1675 LARIMER STREET  
DENVER CO 80202  
ATTN: CINDI ROBBINS

Utah Account No. N0505Report Period (Month/Year) 5 / 89Amended Report ☐

| Well Name                   | Producing | Days | Production Volume |            |             |
|-----------------------------|-----------|------|-------------------|------------|-------------|
| API Number Entity Location  | Zone      | Oper | Oil (BBL)         | Gas (MSCF) | Water (BBL) |
| SAN ARROYO UNIT #37         |           |      |                   |            |             |
| 4301931252 00500 16S 26E 20 | DK-MR     |      |                   |            |             |
| SAN ARROYO UNIT #38         |           |      |                   |            |             |
| 4301931253 00500 16S 25E 16 | MRSN      |      |                   |            |             |
| SAN ARROYO 2                |           |      |                   |            |             |
| 4301915885 00505 16S 25E 22 | ENRD      |      |                   |            |             |
| SAN ARROYO 3                |           |      |                   |            |             |
| 4301915886 00505 16S 25E 23 | ENRD      |      |                   |            |             |
| SAN ARROYO 5                |           |      |                   |            |             |
| 4301915888 00505 16S 25E 25 | ENRD      |      |                   |            |             |
| SAN ARROYO 6                |           |      |                   |            |             |
| 4301915889 00505 16S 25E 21 | ENRD      |      |                   |            |             |
| SAN ARROYO 1                |           |      |                   |            |             |
| 4301916532 00505 16S 25E 26 | ENRD      |      |                   |            |             |
| SAN ARROYO UNIT #40         |           |      |                   |            |             |
| 4301931250 00505 16S 25E 27 | ENRD      |      |                   |            |             |
| BITTER CREEK #1             |           |      |                   |            |             |
| 4301930047 00515 16S 25E 2  | DK-MR     |      |                   |            |             |
| ARCO-STATE 2-1              |           |      |                   |            |             |
| 4301930240 00520 16S 24E 2  | DKTA      |      |                   |            |             |
| ARCO-STATE 2-2              |           |      |                   |            |             |
| 4301930241 00520 16S 24E 2  | DKTA      |      |                   |            |             |
| UTE TRIBAL #2-9C6           |           |      |                   |            |             |
| 4301331096 04519 03S 06W 9  | WSTC      |      |                   |            |             |
| UTE TRIBE 0-1               |           |      |                   |            |             |
| 4304730183 04520 02S 01E 4  | GR-WS     |      |                   |            |             |
| TOTAL                       |           |      |                   |            |             |

Comments (attach separate sheet if necessary)

I have reviewed this report and certify the information to be accurate and complete.

Date

Authorized signature

Telephone

PLEASE COMPLETE FORMS IN BLACK INK



June 6, 1989

**RECEIVED**  
JUN 08 1989

DIVISION OF  
OIL, GAS & MINING

State of Utah  
Natural Resources  
Oil & Gas Program  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Attention: Ms. Tammy Searing

Dear Ms. Searing

Per telephone conversation this date we would like to split the wells shown on the monthly Oil & Gas Production Report turnaround document.

We would like entity numbers; 00500, 00505, 00515, 00520, 08340, 08341, and 09710, to be included on a separate report and mailed to our agent for these wells: Natural Gas Gathering Company of Texas, 12700 Northborough, Suite 100, Houston, TX 77067.

All other wells shown on our monthly report should continue to be mailed to: Graham Royalty, Ltd., 1675 Larimer Street, Suite 400, Denver, Colorado 80202.

If you should have any questions, please advise.

Sincerely,

*C. C. Robbins*

C. C. Robbins  
Reg. Affairs Supervisor

CCR/ng

June 6, 1989

**RECEIVED**  
JUN 08 1989

State of Utah  
Natural Resources  
Oil & Gas Program  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

DIVISION OF  
OIL, GAS & MINING

Attention: Ms. Tammy Searing

Dear Ms. Searing

Per telephone conversation this date we would like to split the wells shown on the monthly Oil & Gas Production Report turn-around document.

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All other wells shown on our monthly report should continue to be mailed to: Graham Royalty, Ltd., 1675 Larimer Street, Suite 400, Denver, Colorado 80202.

If you should have any questions, please advise.

Sincerely,

*C. C. Robbins*

C. C. Robbins  
Reg. Affairs Supervisor

CCR/ng



## STATE OF UTAH

BOARD AND DIVISION OF OIL, GAS AND MINING

**RECEIVED**  
MAR 12 1990DIVISION OF  
OIL, GAS & MININGDESIGNATION OF AGENT

The undersigned producer, operator, transporter, refiner, gasoline or other extraction plant operator or initial purchaser who is conducting oil and/or gas operations in the State of Utah, does, pursuant to the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah, hereby appoint

Northstar Gas Company, Inc.256 E. North Sam Houston Parkway, Suite 250  
(Address)Houston, Texas 77060

(his, her or its) designated agent to accept and to be served with notices from the Board and Division Director or Authorized Agent in accordance with the Oil and Gas Conservation Act of the State of Utah.

The undersigned further agrees to immediately report in writing, all changes of address of the agent, and any termination of the agent's authority, and in the latter case, the designation of a new agent or agents shall be immediately made. This designation of agent, however, shall remain in full force and effect until and unless a new designation of agent is filed in accordance with the statute and/or rules.

Effective Date of Designation March 1, 1990Company Graham Royalty, Ltd. Phone (303) 629-1736Address 1675 Larimer Street, Suite 400Denver, Colorado 80202By Wilbur L. Dover  
(Signature) Wilbur L. DoverTitle Vice President/Division Manager

NORTHSTAR GAS COMPANY

256 E. North Sam Houston Parkway, Suite 250, Houston, Texas 77060  
(713) 820-6886

RECEIVED  
APR 09 1990

DIVISION OF  
OIL, GAS & MINING

April 5, 1990

Utah Natural Resources  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

To Whom It May Concern:

Northstar Gas Company is the new operating agent for Graham Royalty, Ltd. Please make any corrections necessary so we may receive our correspondence from your agency. The new information is as follows:

Northstar Gas Company  
256 E. North Sam Houston Parkway, Suite 250  
Houston, Texas 77060  
713-820-6886

Thank you.

Sincerely,

*Paul A. Bernard, Jr. / LR*  
Paul A. Bernard, Jr.  
Controller

NORTHSTAR GAS COMPANY

PAB/lr  
Enclosures

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

# SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT for such proposals

|  |  |  |
|--|--|--|
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify) |  | 6. Lease Designation and Serial Number<br>M 0621   |
| 2. Name of Operator<br>GRAHAM ROYALTY/NORTHSTAR GAS COMPANY (AGENT)  |  | 7. Indian Allottee or Tribe Name                   |
| 3. Address of Operator<br>15000 NW FREEWAY, STE. 203, HOUSTON, TX 77040  |  | 8. Unit or Communitization Agreement<br>SAN ARROYO |
| 4. Telephone Number<br>(713) 937-4314  |  | 9. Well Name and Number<br>FEDERAL UNIT # 40       |
| 5. Location of Well<br>Footage :<br>QQ, Sec. T., R., M. : 16 S 25 E 27   |  | 10. API Well Number<br>4301931250                  |
|  |  | 11. Field and Pool, or Wildcat<br>SAN ARROYO       |

| 12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA |   |   |   |
|---|---|---|---|
| NOTICE OF INTENT<br>(Submit in Duplicate)                                       |   | SUBSEQUENT REPORT<br>(Submit Original Form Only)  |   |
| <input type="checkbox"/> Abandonment  | <input type="checkbox"/> New Construction     | <input type="checkbox"/> Abandonment *  | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Casing Repair  | <input type="checkbox"/> Pull or Alter Casing | <input type="checkbox"/> Casing Repair  | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans  | <input type="checkbox"/> Recompletion         | <input type="checkbox"/> Change of Plans  | <input type="checkbox"/> Shoot or Acidize     |
| <input type="checkbox"/> Conversion to Injection                                | <input type="checkbox"/> Shoot or Acidize     | <input type="checkbox"/> Conversion to Injection  | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Vent or Flare        | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Multiple Completion                                    | <input type="checkbox"/> Water Shut-Off       | <input checked="" type="checkbox"/> Other <u>ANNUAL WELL STATUS REPORT</u>  |   |
| <input type="checkbox"/> Other _____  |   |   |   |
| Approximate Date Work Will Start _____  |   | Date of Work Completion _____   |   |
|   |   | Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.<br>* Must be accompanied by a cement verification report. |   |

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

## 1991 ANNUAL WELL STATUS REPORT:

Well shut in entire year--hole in bottom of stock tank. Will repair same as soon as economics permit.

RECEIVED

FEB 10 1992

DIVISION OF  
OIL GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name & Signature Paul A. Bernard, Jr.

Title Controller

Date 02/07/92

(State Use Only)



STATE OF UTAH  
DIVISION OF OIL, GAS AND MININGPage 4 of 4

## MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

C/O NORTHSTAR GAS CO INC  
GRAHAM ROYALTY LTD  
15000 NW FREEWAY STE 203  
HOUSTON TX 77040UTAH ACCOUNT NUMBER: N0505REPORT PERIOD (MONTH/YEAR): 6 / 93AMENDED REPORT ☐ (Highlight Changes)

| Well Name           |        |            | Producing Zone | Well Status | Days Oper | Production Volumes            |                             |            |
|---------------------|--------|------------|----------------|-------------|-----------|-------------------------------|-----------------------------|------------|
| API Number          | Entity | Location   |                |             |           | OIL(BBL)                      | GAS(MCF)                    | WATER(BBL) |
| SAN ARROYO 6        |        |            |                |             |           |                               |                             |            |
| ✓ 4301915889        | 00505  | 16S 25E 21 | ENRD           | U-025244    |           |                               |                             |            |
| SAN ARROYO 1        |        |            |                |             |           |                               |                             |            |
| ✓ 4301916532        | 00505  | 16S 25E 26 | ENRD           | U-071307    |           |                               |                             |            |
| SAN ARROYO UNIT #40 |        |            |                |             |           |                               |                             |            |
| ✓ 4301931250        | 00505  | 16S 25E 27 | ENRD           | U-0370-A    |           |                               |                             |            |
| BITTER CREEK #1     |        |            |                |             |           |                               |                             |            |
| ✓ 4301930047        | 00515  | 16S 25E 2  | DK-MR          | ML-25151    |           |                               |                             |            |
| ARCO-STATE 2-1      |        |            |                |             |           |                               |                             |            |
| ✓ 4301930240        | 00520  | 16S 24E 2  | DKTA           | ML-22208    |           |                               |                             |            |
| ARCO-STATE 2-2      |        |            |                |             |           |                               |                             |            |
| ✓ 4301930241        | 00520  | 16S 24E 2  | DKTA           | ML-22208    |           |                               |                             |            |
| FEDERAL 174 #1      |        |            |                |             |           |                               |                             |            |
| ✓ 4301915884        | 08340  | 16S 25E 11 | DKTA           | U-0126528   |           | "CA NW-115"                   |                             |            |
| FEDERAL GILBERT #1  |        |            |                |             |           |                               |                             |            |
| ✓ 4301911089        | 08341  | 16S 25E 11 | ENRD           | U-0126528   |           | " <del>CA NW-115</del> "      | Btm/moab NAPRV eff. 1-10-94 |            |
| FEDERAL 31-1        |        |            |                |             |           |                               |                             |            |
| ✓ 4304730765        | 08345  | 15S 24E 31 | DKTA           | U-14234     |           | Btm/Vernal NAPRV eff. 1-10-94 |                             |            |
| ARCO STATE 36-7     |        |            |                |             |           |                               |                             |            |
| ✓ 4301931162        | 09710  | 15S 24E 36 | CM-MR          | ML-22208    |           |                               |                             |            |
| ARCO STATE #36-8    |        |            |                |             |           |                               |                             |            |
| ✓ 4301931192        | 09710  | 15S 24E 36 | DK-MR          | ML-22208    |           |                               |                             |            |
|                     |        |            |                |             |           |                               |                             |            |
|                     |        |            |                |             |           |                               |                             |            |
|                     |        |            |                |             |           |                               |                             |            |
| TOTALS              |        |            |                |             |           |                               |                             |            |

COMMENTS: \_\_\_\_\_

I hereby certify that this report is true and complete to the best of my knowledge.

Date: \_\_\_\_\_

Name and Signature: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

RECEIVED

JUL 16 1993

DIVISION OF  
OIL, GAS & MINING

July 14, 1993

State of Utah  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

Attn: Ms. Lisha Cordova

Dear Ms. Cordova,

Effective August 1, 1993 we would like to change our operator name from Graham Royalty, Ltd. to Graham Energy, Ltd. Per our conversation this date it should be a simple change as no bond changes are required.

Attached is a list of the wells affected. Thank you.

Sincerely,

  
Cynthia C. Robbins  
Regulatory Affairs Supervisor

CC: Ken McKinney

RECEIVED

DEC 30 1993

DIVISION OF  
OIL, GAS & MINING

Bureau of Land Management  
Branch of Fluid Minerals (UT-922)  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155

December 29, 1993

Graham Energy, Ltd.  
P.O. Box 3134  
Covington, Louisiana 70434-3134

RE: San Arroyo Unit  
Grand County, Utah

Gentlemen:

On December 27, 1993, we received an indenture whereby Graham Royalty, Ltd. resigned as Unit Operator and Graham Energy, Ltd. was designated as Successor Unit Operator for the San Arroyo Unit, Grand County, Utah.

The instrument is hereby approved effective December 29, 1993. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the San Arroyo Unit Agreement.

Your nationwide (Wyoming) oil and gas bond No. 1845 will be used to cover all operations within the San Arroyo Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

bcc: District Manager - Moab (w/enclosure)  
Division of Oil, Gas & Mining  
Division of Lands and Mineral Operations U-942  
File - San Arroyo Unit (w/enclosure)  
MMS - Data Management Division  
Agr. Sec. Chron  
Fluid Chron

WELL STATUS REPORTS  
UTAH STATE OFFICE

| INSPECTION ITEM                                | API NO.                    | WELL<br>NUMBER | QTQT            | SEC           | TWN            | RNG            | WELL<br>STATUS | LEASE NAME       | OPERATOR                          |
|--|----------------------------|----------------|-----------------|---------------|----------------|----------------|----------------|------------------|-----------------------------------|
| ** INSPECTION ITEM 891003859A SAN ARROYO DK MO |                            |                |                 |               |                |                |                |                  |                                   |
| 891003859A                                     | ✓430191589200S1            | 11             | NESW            | 15            | 16S            | 25E            | PGW            | UTU05059C        | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191589300S1            | 12             | SWSW            | 23            | 16S            | 25E            | PGW            | UTSL071307       | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191589400S1            | 13             | NESW            | 22            | 16S            | 25E            | GSI            | UTU0370A         | GRAHAM ROYALTY LIMITED            |
| <del>891003859A</del>                          | <del>✓430191589500X1</del> | <del>14</del>  | <del>SWNE</del> | <del>16</del> | <del>16S</del> | <del>25E</del> | <del>ABD</del> | <del>STATE</del> | <del>GRAHAM ROYALTY LIMITED</del> |
| 891003859A                                     | ✓430191109100S1            | 15             | NESW            | 21            | 16S            | 25E            | TA             | UTU0136529       | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191589600S1            | 16             | SESW            | 26            | 16S            | 25E            | PGW            | UTU0369          | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191589700S1            | 17             | NENE            | 24            | 16S            | 25E            | PGW            | UTU025243        | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191589800S1            | 18             | NWNW            | 30            | 16S            | 26E            | GSI            | UTU06023         | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191589900S1            | 19             | SWSE            | 14            | 16S            | 25E            | PGW            | UTU05011B        | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191590000S1            | 20             | SENE            | 26            | 16S            | 25E            | PGW            | UTSL071307       | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191590100S1            | 21             | NWSE            | 25            | 16S            | 25E            | PGW            | UTU0369          | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191590200S1            | 22             | NENE            | 15            | 16S            | 25E            | PGW            | UTU05011A        | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191590300S1            | 24             | SENW            | 19            | 16S            | 26E            | PGW            | UTU06188         | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191590400S1            | 25             | SWNE            | 21            | 16S            | 25E            | PGW            | UTU0136529       | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191590500S1            | 26             | SWSW            | 20            | 16S            | 26E            | PGW            | UTU025297        | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191590600S1            | 27             | NESW            | 29            | 16S            | 26E            | PGW            | UTU06021         | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191590700S1            | 28             | NWNE            | 29            | 16S            | 26E            | PGW            | UTU05650         | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191590800S1            | 29             | NENE            | 22            | 16S            | 25E            | PGW            | UTU0370A         | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191590900S1            | 30             | NWSW            | 21            | 16S            | 26E            | PGW            | UTU05650         | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430193052700S1            | 31             | NWNW            | 22            | 16S            | 25E            | PGW            | UTU0370A         | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430193052800S1            | 32             | SWSW            | 14            | 16S            | 25E            | PGW            | UTU05011B        | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430193060800S1            | 33             | SWSW            | 25            | 16S            | 25E            | PGW            | UTU0369          | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191109000S1            | 35             | SESW            | 24            | 16S            | 25E            | PGW            | UTU0369          | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430193125100S1            | 36-A           | SESE            | 19            | 16S            | 26E            | PGW            | UTU06188         | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430193125200S1            | 37             | SWNE            | 20            | 16S            | 26E            | PGW            | UTU05650         | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430193125300S1            | 38             | NESW            | 16            | 16S            | 25E            | PGW            | STATE            | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191588700S1            | 4              | SESW            | 30            | 16S            | 26E            | PGW            | UTU06023         | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430193128900S1            | 41             | NENE            | 36            | 16S            | 25E            | PGW            | STATE            | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430193129000S1            | 42             | NESE            | 30            | 16S            | 26E            | PGW            | UTU06023         | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430193129100S1            | 43             | NESE            | 29            | 16S            | 26E            | PGW            | UTU06021         | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430193130100S1            | 44             | SENE            | 30            | 16S            | 26E            | PGW            | UTU06023         | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430193129900S1            | 45             | NWSE            | 20            | 16S            | 26E            | PGW            | UTU05650         | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430193131800S1            | 47             | NENE            | 31            | 16S            | 26E            | PGW            | U06023           | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430193131600S1            | 49             | NENW            | 29            | 16S            | 26E            | PGW            | UTU025245        | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191589000S1            | 8              | SWSW            | 16            | 16S            | 25E            | PGW            | STATE            | GRAHAM ROYALTY LIMITED            |
| 891003859A                                     | ✓430191589100S1            | 9              | NWNE            | 27            | 16S            | 25E            | PGW            | UTU0370A         | GRAHAM ROYALTY LIMITED            |
| ** INSPECTION ITEM 891003859B SAN ARROYO EN    |                            |                |                 |               |                |                |                |                  |                                   |
| 891003859B                                     | ✓430191653200S1            | 1              | SENW            | 26            | 16S            | 25E            | PGW            | UTSL071307       | GRAHAM ROYALTY LIMITED            |
| 891003859B                                     | ✓430191588500S1            | 2              | SENW            | 22            | 16S            | 25E            | PGW            | UTU0370A         | GRAHAM ROYALTY LIMITED            |
| 891003859B                                     | ✓430191588600S1            | 3              | SENW            | 23            | 16S            | 25E            | GSI            | UTU0369          | GRAHAM ROYALTY LIMITED            |
| 891003859B                                     | ✓430193125000S1            | 40             | NWNE            | 27            | 16S            | 25E            | PGW            | UTU0370A         | GRAHAM ROYALTY LIMITED            |
| 891003859B                                     | ✓430191588800S1            | 5              | NWSE            | 25            | 16S            | 25E            | PGW            | UTU0369          | GRAHAM ROYALTY LIMITED            |
| 891003859B                                     | ✓430191588900S1            | 6              | SWNE            | 21            | 16S            | 25E            | PGW            | UTU0136529       | GRAHAM ROYALTY LIMITED            |

## PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

☐ Well File \_\_\_\_\_☐ Suspense☒ Other

(Return Date) \_\_\_\_\_

*Operator Change*

(Location) Sec \_\_\_\_\_ Twp \_\_\_\_\_ Rng \_\_\_\_\_

(To - Initials) \_\_\_\_\_

(API No.) \_\_\_\_\_

1. Date of Phone Call: 12-9-93 Time: 3:002. DOGM Employee (name) J. Cordova (Initiated Call ☒  
Talked to:Name Ken McKinney (Initiated Call ☐ - Phone No. (504) 893-8391of (Company/Organization) Graham Royalty / Graham Energy3. Topic of Conversation: Oper. nm. chg. "Graham Royalty to Graham Energy"

4. Highlights of Conversation:

Add'l info. required by Btms. L. "San Arroyo Unit", also Graham  
Energy has sold the wells to Northstar Gas Co. Inc. Documentation  
will follow.

\* Northstar Gas Co. Inc. / Paul Burnett (713) 937-4314

Mailing Documentation ASAP.

## PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

☐ Well File \_\_\_\_\_☐ Suspense  
(Return Date) \_\_\_\_\_  
(To - Initials) \_\_\_\_\_☒ Other  
*Operator Change*  
\_\_\_\_\_  
\_\_\_\_\_(Location) Sec \_\_\_\_\_ Twp \_\_\_\_\_ Rng \_\_\_\_\_  
(API No.) \_\_\_\_\_1. Date of Phone Call: 7-19-93 Time: 3:002. DOGM Employee (name) J. Cordova (Initiated Call ☒  
Talked to:Name Cynthia Robbins (Initiated Call ☐ - Phone No. (303) 629-1736  
of (Company/Organization) Graham3. Topic of Conversation: Confirm address for Graham Energy LTD.

4. Highlights of Conversation: \_\_\_\_\_

Agent "Northstar Gas Co. Inc." is to remain the same as is Houston  
mailing address. Change address for Graham Energy LTD from  
LA to TX. (updated 7-22-93)\* 931116 - Linda Goldsby "Graham" referred to Btm / S.Y.



**STATE OF UTAH**  
**DIVISION OF OIL, GAS AND MINING**  
 355 West North Temple, 3 Triad, Suite 350, Salt Lake City, UT 84180-1203

Page 4 of 4

## MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

C/O NORTHSTAR GAS CO INC  
 GRAHAM ENERGY LTD  
 15000 NW FREEWAY STE 203  
 HOUSTON TX 77040

UTAH ACCOUNT NUMBER: N7590REPORT PERIOD (MONTH/YEAR): 12 / 93AMENDED REPORT ☐ (Highlight Changes)

| Well Name           |        |            | Producing<br>Zone | Well<br>Status | Days<br>Oper | Production Volumes |          |            |
|---------------------|--------|------------|-------------------|----------------|--------------|--------------------|----------|------------|
| API Number          | Entity | Location   |                   |                |              | OIL(BBL)           | GAS(MCF) | WATER(BBL) |
| SAN ARROYO 1        |        |            |                   |                |              |                    |          |            |
| 4301916532          | 00505  | 16S 25E 26 | ENRD              |                |              |                    |          |            |
| SAN ARROYO UNIT #40 |        |            |                   |                |              |                    |          |            |
| 4301931250          | 00505  | 16S 25E 27 | ENRD              |                |              |                    |          |            |
| BITTER CREEK #1     |        |            |                   |                |              |                    |          |            |
| 4301930047          | 00515  | 16S 25E 2  | DK-MR             | ML-25151       |              |                    |          |            |
| ARCO-STATE 2-1      |        |            |                   |                |              |                    |          |            |
| 4301930240          | 00520  | 16S 24E 2  | DKTA              | ML-22208       |              |                    |          |            |
| ARCO-STATE 2-2      |        |            |                   |                |              |                    |          |            |
| 4301930241          | 00520  | 16S 24E 2  | DKTA              | ML-22208       |              |                    |          |            |
| FEDERAL 174 #1      |        |            |                   |                |              |                    |          |            |
| 4301915884          | 08340  | 16S 25E 11 | DKTA              | C.A. NW-115    | Apr. # 32394 |                    |          |            |
| O STATE 36-7        |        |            |                   |                |              |                    |          |            |
| 4301931162          | 09710  | 15S 24E 36 | CM-MR             | ML-22208       |              |                    |          |            |
| ARCO STATE #36-8    |        |            |                   |                |              |                    |          |            |
| 4301931192          | 09710  | 15S 24E 36 | DK-MR             | ML-22208       |              |                    |          |            |
|                     |        |            |                   |                |              |                    |          |            |
|                     |        |            |                   |                |              |                    |          |            |
|                     |        |            |                   |                |              |                    |          |            |
|                     |        |            |                   |                |              |                    |          |            |
|                     |        |            |                   |                |              |                    |          |            |
|                     |        |            |                   |                |              |                    |          |            |
|                     |        |            |                   |                |              |                    |          |            |
| <b>TOTALS</b>       |        |            |                   |                |              |                    |          |            |

Separate chg.

COMMENTS: \* Separate Change

I hereby certify that this report is true and complete to the best of my knowledge.

Date: \_\_\_\_\_

Name and Signature: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

**S. E. U. T. CO.**

Accommodation Recording  
Not Examined

**ASSIGNMENT, BILL OF SALE  
AND CONVEYANCE**

Entry No. **429639**  
Recorded 10-22-93 2 36 PM  
Bk. 457 Pg. 83 Fee 80.00  
96  
Melane Masher  
Recorder of Grand County

This Assignment, Bill of Sale and Conveyance ("Assignment"), is from each of Prudential-Bache Energy Growth Fund, L.P. G-1 and Prudential-Bache Energy Growth Fund, L.P. G-2, each a Delaware limited partnership and acting herein through their general partner, Graham Energy, Ltd. (collectively, "Assignor"), to Northstar Gas Company, Inc. ("Assignee"). Assignor has an address of 109 Northpark Boulevard, Covington, Louisiana 70433, and Assignee has an address of 15000 Northwest Freeway, Suite 203, Houston, Texas 77040.

For, and in consideration of Ten Dollars (\$10.00) cash and other good and valuable consideration in hand paid, the receipt and adequacy of which are hereby acknowledged, each Assignor does hereby, severally, and not jointly, Bargain, Sell, Transfer, Set Over, Grant, Assign, Convey and Deliver unto Assignee, all of such Assignor's right, title, interest and estate in and to the oil and gas properties described on Exhibit "A" (the "Oil and Gas Properties"). The Oil and Gas Properties shall include all mineral interests, working interests, overriding interests, reversionary interests, net profits interests, net revenue interests and any other interest of any kind without warranty of title either express or implied, to the extent they are owned and may be conveyed by Sellers.

The Oil and Gas Properties shall include, to the extent each Assignor may lawfully assign same, all of such Assignor's rights, title, interest and estate in and to the property and rights incident, and to the extent attributable, to the Oil and Gas Properties, the lands covered thereby or utilized therewith, including, without limitation, (i) all presently existing pooling or unitization agreements and the units created thereby, and all units formed by virtue of orders issued by applicable State regulatory agencies, (ii) all presently existing operating agreements and all other contracts, agreements and records, (iii) all personal property, easements, permits, surface leases, servitudes and rights-of-way situated upon or used in connection with the production, treating, storing or transportation of oil, gas or other hydrocarbons or minerals.

TO HAVE AND TO HOLD the Oil and Gas Properties unto Assignee and its successors and assigns forever.

NOTWITHSTANDING ANY PROVISION IN THIS ASSIGNMENT OR ANY DOCUMENT DELIVERED IN CONNECTION HERewith TO THE CONTRARY, THE OIL AND GAS PROPERTIES AND ANY OTHER PROPERTY OR RIGHTS CONVEYED HEREUNDER ARE CONVEYED "AS IS," "WHERE IS," "WITH ALL FAULTS," AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR, AND WITHOUT ANY EXPRESS OR IMPLIED WARRANTY, INCLUDING WARRANTY OF TITLE OR ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OR AS TO ANY CLAIM BY ASSIGNEE FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN OR UNKNOWN, OR ANY OTHER SORT OF WARRANTY. ASSIGNEE HAS INSPECTED, OR HAS HAD THE OPPORTUNITY TO INSPECT, THE OIL AND

GAS PROPERTIES AND PREMISES FOR ALL PURPOSES, INCLUDING WITHOUT LIMITATION FOR THE PURPOSE OF DETERMINING THE PRESENCE OF ENVIRONMENTAL CONDITIONS, OF DETECTING THE PRESENCE OF NATURALLY OCCURRING RADIOACTIVE MATERIAL "(NORM)" AND MAN-MADE MATERIAL FIBERS "(MMMF)" AND HAS SATISFIED ITSELF AS TO THEIR PHYSICAL AND ENVIRONMENTAL CONDITIONS, BOTH SURFACE AND SUBSURFACE. ASSIGNEE ACCEPTS ALL OF THE SAME IN THEIR "AS IS," "WHERE IS," CONDITION, AND EACH ASSIGNOR EXPRESSLY DISCLAIMS ANY LIABILITY ARISING IN CONNECTION WITH ANY PRESENCE OR ENVIRONMENTAL CONDITIONS, NORM OR MMMF ON THE OIL AND GAS PROPERTIES.

From and after the Effective Time, Assignee hereby agrees to assume, be bound by and subject to each Assignor's express and implied covenants, rights, obligations and liabilities with respect to the Oil and Gas Properties, and Assignee's interest in the Oil and Gas Properties shall bear its proportionate share of royalty interests, overriding royalty interests and other payments out of or measured by production from and after the Effective Time.

This Assignment is made expressly subject to all existing overriding royalties or other burdens affecting the Oil and Gas Properties as listed on Exhibit "A."

Assignee and its permitted successors and assigns shall preserve and maintain all lease, contract and title files, well logs, well files, division orders and related files, title documentation, correspondence and other data and records in the possession of Assignor pertaining to the Oil and Gas Properties (the "Records") for a period of two (2) years from the date of acknowledgement of this Assignment, during such period shall afford Assignor and its duly authorized representatives access at all reasonable times during normal business hours to all Records as Assignor shall request in order to defend against, oppose or otherwise investigate any claims or potential claims against Assignor arising as a result of any acts, events or operations prior to the date of acknowledgement of this Assignment or as a result of this Assignment, and shall make any conveyance or transfer of the Oil and Gas Properties specifically subject to the obligations of this paragraph.

Notwithstanding any other provision herein to the contrary, this Assignment is made with full substitution and subrogation of Assignee in and to all covenants and warranties by others heretofore given or made to Assignors in respect of the Oil and Gas Properties or any part thereof.

The provisions hereof shall be covenants running with the land and shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.

In the event two or more Oil and Gas Properties cover the same land (e.g., an oil and gas leasehold interest included within the Oil and Gas Properties may cover the same land as a mineral, royalty or overriding interest included within the Oil and Gas Properties), no merger of title shall occur, and each of the Oil and Gas Properties covering the same land is conveyed and shall be owned by Assignee as a separate and distinct property.

Separate assignments of certain of the Oil and Gas Properties may be executed on officially approved forms by Assignor to Assignee in sufficient counterparts to satisfy applicable statutory and regulatory requirements. Those assignments shall be deemed to contain all of the exceptions, reservations, rights, titles, power and privileges set forth herein as fully as though they were set forth in each such assignment. The interests conveyed by such separate assignments are the same, and not in addition to, the Oil and Gas Properties conveyed herein.

The parties agree to take all such further actions and execute, acknowledge and deliver all such further documents that are necessary or useful in carrying out the purposes of this Assignment. Assignor agrees to execute, acknowledge and deliver to Assignee all such other additional instruments, notices, division orders, transfer orders and other documents and to do all such other and further acts and things as may be necessary to more fully and effectively grant, convey and assign to Assignee the Oil and Gas Properties conveyed hereby or intended so to be.

This Assignment may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one assignment.

References in this Assignment and in Exhibit "A," to contracts, agreements or instruments shall not be deemed to create any rights in favor of any third party.

Assignee joins in the execution hereof for the purpose of being bound by all the terms, provisions, obligations and covenants herein specified.

IN WITNESS WHEREOF, this instrument is signed and executed in multiple counterparts as of the date (s) set forth on the acknowledgements hereto, but, shall be effective for all purposes as of 7:00 o'clock A.M., local time, September 1, 1993 (the "Effective Time").

ASSIGNORS:

PRUDENTIAL-BACHE ENERGY  
GROWTH FUND, L.P. G-1

ATTEST:

By: 

By: Graham Energy, Ltd.,  
as General Partner

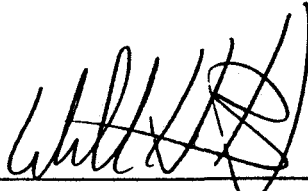
By: 

Kenneth M. McKinney  
Vice President

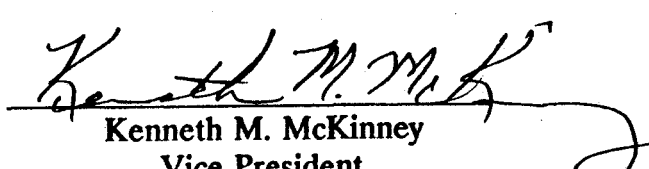
[SEAL]

PRUDENTIAL-BACHE ENERGY  
GROWTH FUND, L.P. G-2

ATTEST:

By: 

By: Graham Energy, Ltd., as  
General Partner

By:   
Kenneth M. McKinney  
Vice President

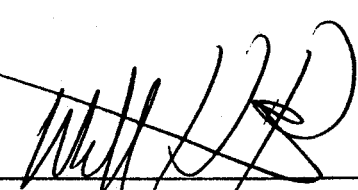
[SEAL]

WITNESSES TO ASSIGNORS'  
SIGNATURES:

Mina E. Merc

Belinda J. Hunt

ATTEST:

By: 

[SEAL]

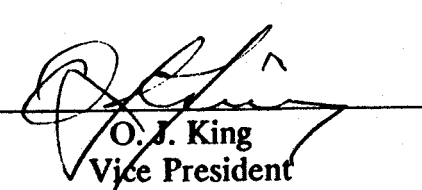
WITNESSES TO ASSIGNEE'S  
SIGNATURE:

Mina E. Merc

Belinda J. Hunt

ASSIGNEE:

NORTHSTAR GAS COMPANY, INC.

By:   
O. J. King  
Vice President

STATE OF LOUISIANA

PARISH OF ORLEANS

ON THIS, the 20<sup>th</sup> day of October, 1993, before me, the undersigned Notary, personally appeared Kenneth M. McKinney, who acknowledged that he is the Vice President of Graham Energy, Ltd., the general partner of Prudential-Bache Energy Growth Fund, L.P. G-1, a Delaware limited partnership, and that as President he is authorized to execute the foregoing instrument for the purposes therein contained by signing the name of said corporation as general partner of Prudential-Bache Energy Growth Fund, L.P. G-1.

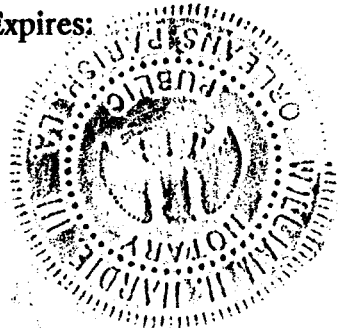
IN WITNESS WHEREOF, I hereunder set my hand and official seal.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

WILLIAM H. HARDIE, III  
NOTARY PUBLIC  
Parish of Orleans, State of Louisiana  
My Commission is issued for Life.

[SEAL]

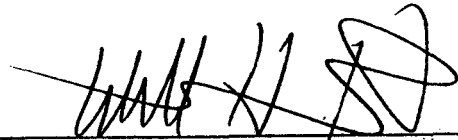


STATE OF LOUISIANA

PARISH OF ORLEANS

ON THIS, the 20<sup>th</sup> day of October, 1993, before me, the undersigned Notary, personally appeared Kenneth M. McKinney, who acknowledged that he is the Vice President of Graham Energy, Ltd., the general partner of Prudential-Bache Energy Growth Fund, L.P. G-2, a Delaware limited partnership, and that as President he is authorized to execute the foregoing instrument for the purposes therein contained by signing the name of said corporation as general partner of Prudential-Bache Energy Growth Fund, L.P. G-2.

IN WITNESS WHEREOF, I hereunder set my hand and official seal.



NOTARY PUBLIC

My Commission Expires

WILLIAM H. HARDIE, III  
NOTARY PUBLIC  
Parish of Orleans, State of Louisiana  
My Commission is issued for Life.

[SEAL]

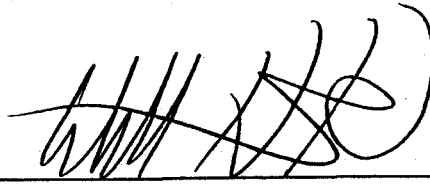


STATE OF LOUISIANA

PARISH OF ORLEANS

ON THIS, the 20<sup>th</sup> day of October, 1993, before me, the undersigned Notary, personally appeared O. J. King, who acknowledged that he is the Vice President of Northstar Gas Company, Inc., a Texas corporation, and that as Vice President he is authorized to execute the foregoing instrument for the purposes therein contained by signing the name of said corporation.

IN WITNESS WHEREOF, I hereunder set my hand and official seal.



NOTARY PUBLIC

My Commission Expires

**WILLIAM H. HARDIE, III**  
NOTARY PUBLIC  
Parish of Orleans, State of Louisiana  
My Commission is issued for Life.

[SEAL]





**EXHIBIT "A"**  
**ATTACHED TO ASSIGNMENT,**  
**BILL OF SALE AND CONVEYANCE**  
**PART I**  
**LANDS AND LEASES**  
**ALL IN GRAND COUNTY, UTAH UNLESS OTHERWISE SPECIFIED**

| Lease Serial<br>Number | Lessor        | Lessee                        | Description<br>of Lands   | Book | Page | Lease<br>Date     | Associated<br>Properties                               |
|------------------------|---------------|-------------------------------|---|------|------|-------------------|--|
| ML-22208<br>(1038)     | State of Utah | Atlantic Richfield<br>Company | T15 1/2S, R24E, SLM<br>Sec. 36: All<br>T16S, R24E, SLM<br>Sec. 2: All                   | 220  | 177  | 9-28-64           | ARCO State<br>2-1, 2-2, 36-7,<br>36-8                  |
| U-29645<br>(1174)      | U.S.A.        | Atlantic Richfield<br>Company | T16S, R25E, SLM<br>Sec. 27: SW/4,<br>S/2 SE/4<br>Sec. 34: NE/4,<br>NE/4 NW/4, NE/4 SE/4 |      |      | 5-1-75            | ARCO 27-1<br>Valentine<br>Fed #2<br>ARCO Fed D-1       |
| ML-25151<br>(191-1)    | State of Utah | Sinclair Oil & Gas<br>Company | T16S, R25E, SLM<br>Section 2: All   | 163  | 390  | 3-7-68            | Bittercreek #1   |
| J-0126528<br>(174-1)   | U.S.A.        | James F. Gilbert              | T16S, R25E, SLM<br>Sec. 11: N/2,<br>N/2 SW/4, SE/4 SW/4,<br>SE/4<br>Sec. 12: S/2        |      |      | 12-1-63           | Federal<br>Gilbert #1<br>Federal 174-1<br>ARCO Fed H-1 |
| U-0141420<br>(180-1)   | U.S.A.        | Sinclair Oil Company          | T16S, R25E, SLM<br>Sec. 11: SW/4 SW/4   |      |      | 8-1-64            | Federal<br>174-1                                       |
| ML-4113<br>(44-1)      | State of Utah | Lois A. Aubrey                | T16S, R25E, SLM<br>Sec. 16: All   | 6-Q  | 207  | 1-2-52            | San Arroyo<br>Unit Area                                |
| U-05011-A<br>(45-2)    | U.S.A.        | Pierce T. Norton              | T16S, R25E, SLM<br>Sec. 14: NW/4,<br>SE/4 SE/4, N/2 SE/4,<br>NE/4 SW/4<br>Sec. 15: NE/4 |      |      | 9-1-51<br>*4-1-55 | Tenneco<br>Fed 14-2<br>San Arroyo<br>Unit Area         |

Lease Segregated Effective

**EXHIBIT "A"**  
**PART I**

| <u>Lease Serial<br/>Number</u> | <u>Lessor</u> | <u>Lessee</u>     | <u>Description<br/>of Lands</u>  | <u>Book</u> | <u>Page</u> | <u>Lease<br/>Date</u> | <u>Associated<br/>Properties</u> |
|--------------------------------|---------------|-------------------|--|-------------|-------------|-----------------------|----------------------------------|
| U-0369<br>(46-1)               | U.S.A.        | Clair D. Jones    | T16S, R25E, SLM<br>Sec. 23: N/2<br>Sec. 24: W/2, SE/4,<br>S/2 NE/4<br>Sec. 25: All<br>Sec. 26: N/2 S/2,<br>SE/4 SW/4, S/2 SE/4 |             |             | 2-1-51                | San Arroyo<br>Unit Area          |
| SL-071307<br>(47-1)            | U.S.A.        | James E. Croudace | T16S, R25E, SLM<br>Sec. 23: S/2<br>Sec. 26: N/2  |             |             | 12-1-50               | San Arroyo<br>Unit Area          |
| U-0370-A<br>(48-1)             | U.S.A.        | Clair D. Jones    | T16S, R25E, SLM<br>Sec. 21: E/2 NE/4,<br>NE/4 SE/4<br>Sec. 22: All<br>Sec. 27: NE/4,<br>NE/4 NW/4, NE/4 SE/4                   |             |             | 2-1-51<br>*6-1-55     | San Arroyo<br>Unit Area          |
| U-05059-A<br>(49-2)            | U.S.A.        | L. J. Batchelor   | T16S, R25E, SLM<br>Sec. 15: NW/4 SW/4,<br>E/2 NW/4, SW/4 NW/4  |             |             | 10-1-51<br>*9-19-61   | San Arroyo<br>Unit Area          |
| U-06021<br>(51-1)              | U.S.A.        | Fred A. Moore     | T16S, R26E, SLM<br>Sec. 29: S/2,<br>S/2 NW/4, NW/4 NW/4  |             |             | 2-1-52                | San Arroyo<br>Unit Area          |
| U-06023<br>(52-1)              | U.S.A.        | Adiel E. Stewart  | T16S, R26E, SLM<br>Sec. 30: All<br>Sec. 31: N/2 N/2  |             |             | 2-1-52                | San Arroyo<br>Unit Area          |
| U-06188<br>(53-1)              | U.S.A.        | C. M. Rood        | T16S, R26E, SLM<br>Sec. 19: SW/4,<br>S/2 NW/4, W/2 SE/4,<br>SE/4 SE/4  |             |             | *3-1-52               | San Arroyo<br>Unit Area          |

**Lease Segregated Effective**

**EXHIBIT "A"**  
**PART I**

| <b>Lease Serial<br/>Number</b> | <b>Lessor</b> | <b>Lessee</b>               | <b>Description<br/>of Lands</b>  | <b>Book</b> | <b>Page</b> | <b>Lease<br/>Date</b> | <b>Associated<br/>Properties</b> |
|--------------------------------|---------------|-----------------------------|--|-------------|-------------|-----------------------|----------------------------------|
| U-05011-B<br>(56-1)            | U.S.A.        | Pierce T. Norton            | T16S, R25E, SLM<br>Sec. 14: SW/4 SE/4,<br>W/2 SW/4, SE/4 SW/4<br>Sec. 15: SE/4   |             |             | 9-1-51<br>*2-1-57     | San Arroyo<br>Unit Area          |
| U-05059-C<br>(57-1)            | U.S.A.        | L. J. Batchelor             | T16S, R25E, SLM<br>Sec. 15: E/2 SW/4,<br>SW/4 SW/4   |             |             | *3-1-57               | San Arroyo<br>Unit Area          |
| U-025243<br>(60-1)             | U.S.A.        | Clair D. Jones              | T16S, R25E, SLM<br>Sec. 24: N/2 NE/4   |             |             | *8-27-57              | San Arroyo<br>Unit Area          |
| U-025245<br>(61-1)             | U.S.A.        | Fred A. Moore               | T16S, R26E, SLM<br>Sec. 29: NE/4 NW/4  |             |             | 2-1-52<br>*9-1-57     | San Arroyo<br>Unit Area          |
| U-025297<br>(64-2)             | U.S.A.        | C. M. Rood                  | T16S, R26E, SLM<br>Sec. 19: N/2 N/2<br>S/2 NE/4, NE/4 SE/4<br>Sec. 20: W/2   |             |             | 3-1-52                | San Arroyo<br>Unit Area          |
| J-06188-B<br>(74-1)            | U.S.A.        | Sinclair Oil<br>Corporation | T16S, R25E, SLM<br>Sec. 35: N/2  |             |             | 3-1-52                | San Arroyo<br>Unit Area          |
| U-05059-F<br>(134-1)           | U.S.A.        | L. J. Batchelor             | T16S, R25E, SLM<br>Sec. 15: NW/4 NW/4  |             |             | 10-1-51<br>*9-19-61   | San Arroyo<br>Unit Area          |
| U-025243-A<br>(139-1)          | U.S.A.        | Clair D. Jones              | T16S, R25E, SLM<br>Sec. 26: SW/4 SW/4  |             |             | 2-1-51<br>*1-1-61     | San Arroyo<br>Unit Area          |
| U-05650<br>(176-1)             | U.S.A.        | Virginia E. Lewis           | T16S, R26E, SLM<br>Sec. 21: Lots 2, 3,<br>4, W/2 W/2<br>Sec. 20: E/2<br>Sec. 28: Lots 1, 2,<br>3, 4 W/2 W/2<br>Sec. 29: NE/4 |             |             | 12-1-51               | San Arroyo<br>Unit Area          |

**Lease Segregated Effective**

**EXHIBIT "A"**  
**PART I**

| <b>Lease Serial<br/>Number</b> | <b>Lessor</b> | <b>Lessee</b>                                 | <b>Description<br/>of Lands</b>   | <b>Book</b> | <b>Page</b> | <b>Lease<br/>Date</b> | <b>Associated<br/>Properties</b>      |
|--------------------------------|---------------|---|---|-------------|-------------|-----------------------|---------------------------------------|
| U-0136529<br>(4000-1)          | U.S.A.        | Clair D. Jones                                | T16S, R25E, S1M<br>Sec. 21: W/2 NE/4,<br>E/2 NW/4, W/2 SE/4,<br>SE/4 SE/4, NE/4 SW/4,<br>Sec. 27: W/2 NW/4,<br>SE/4 NW/4, NW/4 SE/4<br>Sec. 28: NE/4 NE/4 |             |             | 2-1-51<br>*1-22-64    | San Arroyo<br>Unit Area               |
| U-05650-A<br>(177-1)           | U.S.A.        | Virginia E. Lewis                             | T16S, R26E, S1M<br>Sec. 21: Lot 1   |             |             | 12-1-51<br>*10-1-61   | San Arroyo<br>Unit Area               |
| U-9831<br>(949)                | U.S.A.        | Williams H. Short, Jr.<br>and Franklin Knobel | T16S, R25E, S1M<br>INsofar AND ONLY<br>INsofar as said<br>lease covers:<br>Sec. 6: All  |             |             | 10-10-69              | ARCO Fed B-1                          |
| U-14234                        | U.S.A.        | Arthur E. Meinhart                            | T15S, R24E, S1M<br>Sec. 30: All<br>Sec. 31: All<br>Uintah Co., UT   |             |             | 4-1-71                | Black Horse<br>Canyon<br>Federal 31-1 |

Lease Segregated Effective

**EXHIBIT A**  
**Attached to Assignment,**  
**Bill of Sale and Conveyance**

**Part II**

**[OMITTED]**

**EXHIBIT A**  
**ATTACHED TO ASSIGNMENT, BILL OF SALE AND CONVEYANCE**  
**PART III**  
**CONTRACTS AND AGREEMENTS**

**PROPERTY  
REFERENCE**

- |  |  |
|--|--|
| San Arroyo<br>Unit Area                                | 1. Unit Agreement for the Development and Operation of the San Arroyo Unit Area, dated June 11, 1956.  |
| San Arroyo<br>Unit Area                                | 2. Unit Operating Agreement for the San Arroyo Unit Area, dated August 16, 1961.   |
| Valentine<br>Fed #2                                    | 3. Communitization Agreement covering the W $\frac{1}{2}$ of Section 34, T16S-R25E.  |
| ARCO<br>Fed. D-1                                       | 4. Communitization Agreement covering the E $\frac{1}{2}$ of Section 34, T16S-R25E.  |
| Fed. 174-1   | 5. Communitization Agreement, dated March 3, 1965 covering the W $\frac{1}{2}$ Section 11, T16S-R25E.  |
| Tenneco<br>Fed. 14-2                                   | 6. Communitization Agreement dated January 1, 1980, covering the N $\frac{1}{2}$ of Section 14, T16S-R25E.   |
| Tenneco<br>Fed. 14-2                                   | 7. Operating Agreement dated June 5, 1980, designating Tenneco Oil Company as Operator and covering the N $\frac{1}{2}$ of Section 14, T16S-R25E.  |
| ARCO<br>Fed. H-1<br>Fed. D-1                           | 8. Farmout Agreement and Operating Agreement dated August 16, 1982, between ARCO Oil & Gas Company and TXO Production Corp., covering the S $\frac{1}{2}$ Section 12, T16S-R25E.   |
| San Arroyo<br>Unit Area                                | 9. Farmout Agreement dated June 6, 1955 by and between H. W. Dougherty and Sinclair Oil and Gas Company, covering lands in sections 21, 22, 23, 24, 25, 26 and 27, T16S-R25E.  |
| ARCO<br>Fed. B-1,<br>Fed. C-1;<br>Valentine<br>Fed. #2 | 10. Farmout Agreement and Operating Agreement between ARCO Oil and Gas Company and Texas Oil and Gas Corp., dated September 30, 1979, covering all of Sections 6 and 34 and the N $\frac{1}{2}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NE $\frac{1}{4}$ and S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 35, T16S-R25E. |

EXHIBIT "A"  
 ATTACHED TO AND MADE A PART OF THE  
 ASSIGNMENT, BILL OF SALE AND CONVEYANCE  
 PART IV  
 INTEREST IN PROPERTIES AND WELLS

PAGE 1

| PROPERTY NAME      | COUNTY | STATE | OPERATOR  | WORKING<br>INTEREST<br>DECIMAL | NET<br>REVENUE<br>INTEREST<br>DECIMAL | OVERRIDING<br>ROYALTY<br>INTEREST<br>DECIMAL |
|--------------------|--------|-------|-----------|--------------------------------|---------------------------------------|--|
| ARCO STATE #2-1    | GRAND  | UTAH  | URI       | 1.000000000                    | 0.875000000                           |  |
| ARCO STATE #2-2    | GRAND  | UTAH  | URI       | 1.000000000                    | 0.875000000                           |  |
| ARCO STATE #36-7   | GRAND  | UTAH  | URI       | 1.000000000                    | 0.875000000                           |  |
| ARCO STATE #36-8   | GRAND  | UTAH  | URI       | 1.000000000                    | 0.875000000                           |  |
| ARCO STATE #27-1   | GRAND  | UTAH  | URI       | 1.000000000                    | 0.875000000                           |  |
| VALENTINE FED, #2  | GRAND  | UTAH  | LONE MIN. | 0.043750000                    | 0.038281200                           |  |
| FEDERAL 174 #1     | GRAND  | UTAH  | URI       | 1.000000000                    | 0.848750000                           |  |
| BITTERCREEK #1     | GRAND  | UTAH  | URI       | 1.000000000                    | 0.875000000                           |  |
| ARCO FEDERAL #B-1  | GRAND  | UTAH  | LONE MIN. | 0.000000000                    | 0.000000000                           | 0.125000000                                  |
| ARCO FEDERAL #C-1  | GRAND  | UTAH  | LONE MIN. | 0.500000000                    | 0.420000000                           |  |
| ARCO FEDERAL #D-1  | GRAND  | UTAH  | LONE MIN. | 0.218750000                    | 0.191406200                           |  |
| ARCO FEDERAL #H-1  | GRAND  | UTAH  | LONE MIN. | 0.000000000                    | 0.000000000                           | 0.062500000                                  |
| TENNECO FED. #14-2 | GRAND  | UTAH  | LONE MIN. | 0.500000000                    | 0.412500000                           |  |
| GILBERT FEDERAL #1 | GRAND  | UTAH  | URI       | 1.000000000                    | 0.845000000                           |  |

SAN ARROYO UNIT AREA  
 ENTRADA PARTICIPATING AREA

|                 |       |      |     |             |             |
|-----------------|-------|------|-----|-------------|-------------|
| SAN ARROYO #1   | GRAND | UTAH | URI | 1.000000000 | 0.825000000 |
| SAN ARROYO #2   | GRAND | UTAH | URI | 1.000000000 | 0.825000000 |
| SAN ARROYO #3   | GRAND | UTAH | URI | 1.000000000 | 0.825000000 |
| SAN ARROYO #5   | GRAND | UTAH | URI | 1.000000000 | 0.825000000 |
| SAN ARROYO #6   | GRAND | UTAH | URI | 1.000000000 | 0.825000000 |
| SAN ARROYO #40U | GRAND | UTAH | URI | 1.000000000 | 0.825000000 |
| SAN ARROYO #40L | GRAND | UTAH | URI | 1.000000000 | 0.825000000 |

San Arroyo Wells ARE SUBJECT TO A NET PROFITS INTEREST CREATED BY AND SUBJECT TO THAT CERTAIN  
 FARMOUT AGREEMENT DATED JUNE 6, 1955.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT — for such proposals

|  |                                     |   |
|--|-------------------------------------|---|
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify) |                                     | 9. Well Name and Number<br>SEE BELOW              |
| 2. Name of Operator<br>NORTHSTAR GAS COMPANY INC.  |                                     | 10. API Well Number<br>SEE BELOW                  |
| 3. Address of Operator<br>15000 NORTHWEST FWY, SUITE 203<br>HOUSTON TX 77040   | 4. Telephone Number<br>713-937-4314 | 11. Field and Pool, or Wildcat<br>SAN ARROYO UNIT |
| 5. Location of Well<br>Footage : County : GRAND<br>QQ, Sec, T., R., M. : State : UTAH  |                                     |   |
| 12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  |                                     |   |

|  |  |
|--|--|
| <p align="center"><b>NOTICE OF INTENT</b><br/>(Submit in Duplicate)</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Abandonment<br/> <input type="checkbox"/> Casing Repair<br/> <input type="checkbox"/> Change of Plans<br/> <input type="checkbox"/> Conversion to Injection<br/> <input type="checkbox"/> Fracture Treat<br/> <input type="checkbox"/> Multiple Completion<br/> <input checked="" type="checkbox"/> Other _____ </div> <div style="width: 48%;"> <input type="checkbox"/> New Construction<br/> <input type="checkbox"/> Pull or Alter Casing<br/> <input type="checkbox"/> Recompletion<br/> <input type="checkbox"/> Shoot or Acidize<br/> <input type="checkbox"/> Vent or Flare<br/> <input type="checkbox"/> Water Shut-Off </div> </div> <p>Approximate Date Work Will Start _____</p> | <p align="center"><b>SUBSEQUENT REPORT</b><br/>(Submit Original Form Only)</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Abandonment *<br/> <input type="checkbox"/> Casing Repair<br/> <input type="checkbox"/> Change of Plans<br/> <input type="checkbox"/> Conversion to Injection<br/> <input type="checkbox"/> Fracture Treat<br/> <input checked="" type="checkbox"/> Other <u>CHANGE OF OPERATOR</u> </div> <div style="width: 48%;"> <input type="checkbox"/> New Construction<br/> <input type="checkbox"/> Pull or Alter Casing<br/> <input type="checkbox"/> Shoot or Acidize<br/> <input type="checkbox"/> Vent or Flare<br/> <input type="checkbox"/> Water Shut-Off </div> </div> <p>Date of Work Completion _____</p> <p>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.</p> <p>* Must be accompanied by a cement verification report.</p> |
|--|--|

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

NORTHSTAR GAS COMPANY INC. TOOK OVER AS OPERATOR FROM GRAHAM ROYALTY LTD.  
ON 09-01-93 WITH THE EFFECTIVE DATE OF SALE 09-01-93.

| <u>Well Name</u> | <u>API #</u> | <u>Location</u> |
|------------------|--------------|-----------------|
| San Arroyo 2     | 4301915885   | 16S 25E 22      |
| San Arroyo 3     | 4301915886   | 16S 25E 23      |
| San Arroyo 5     | 4301915888   | 16S 25E 25      |
| San Arroyo 6     | 4301915889   | 16S 25E 21      |
| San Arroyo 1     | 4301916532   | 16S 25E 26      |
| San Arroyo 40    | 4301931250   | 16S 25E 27      |

RECEIVED  
JAN 14 1961  
DIVISION OF  
CRIME & DELINQUENCY

14. I heroby certify that the foregoing is true and correct

Name & Signature PAUL BERNARD Title SEC/TREAS Date 12-20-93  
(State Use Only)



Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

Routing:

|       |        |
|-------|--------|
| 1-LLC | 7-SJ   |
| 2-DTS | 8-FILE |
| 3-VLC |        |
| 4-RJE |        |
| 5-ELC |        |
| 6-FL  |        |

Attach all documentation received by the division regarding this change.  
 Initial each listed item when completed. Write N/A if item is not applicable.

- ☐ Change of Operator (well sold) ☐ Designation of Agent  
☐ Designation of Operator **XXX** Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 8-1-93)

TO (new operator) GRAHAM ENERGY LTD  
 (address) C/O NORTHSTAR GAS CO INC  
15000 NW FREEWAY STE 203  
HOUSTON, TX 77040  
 phone (713) 937-4314  
 account no. N 7590

FROM (former operator) GRAHAM ROYALTY LTD  
 (address) C/O NORTHSTAR GAS CO INC  
15000 NW FREEWAY STE 203  
HOUSTON, TX 77040  
 phone (713) 937-4314  
 account no. N 0505(A)

Well(s) (attach additional page if needed):

**\*SAN ARROYO UNIT, NW-115, ETC.**

|                              |                       |               |           |           |           |                   |
|------------------------------|-----------------------|---------------|-----------|-----------|-----------|-------------------|
| Name <b>**SEE ATTACHED**</b> | API: <u>019-31250</u> | Entity: _____ | Sec _____ | Twp _____ | Rng _____ | Lease Type: _____ |
| Name: _____                  | API: _____            | Entity: _____ | Sec _____ | Twp _____ | Rng _____ | Lease Type: _____ |
| Name: _____                  | API: _____            | Entity: _____ | Sec _____ | Twp _____ | Rng _____ | Lease Type: _____ |
| Name: _____                  | API: _____            | Entity: _____ | Sec _____ | Twp _____ | Rng _____ | Lease Type: _____ |
| Name: _____                  | API: _____            | Entity: _____ | Sec _____ | Twp _____ | Rng _____ | Lease Type: _____ |
| Name: _____                  | API: _____            | Entity: _____ | Sec _____ | Twp _____ | Rng _____ | Lease Type: _____ |
| Name: _____                  | API: _____            | Entity: _____ | Sec _____ | Twp _____ | Rng _____ | Lease Type: _____ |

**OPERATOR CHANGE DOCUMENTATION**

- See 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). (Rec'd 7-16-93)
- N/A 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). See Graham Royalty, LTD, Graham Energy, LTD and Graham Resources Inc.
- See 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) \_\_\_\_ If yes, show company file number: #100783.
- See 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- See 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. (1-10-94)
- See 6. Cardex file has been updated for each well listed above. (1-10-94)
- See 7. Well file labels have been updated for each well listed above. (1-10-94)
- See 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. (1-10-94)
- See 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

## ENTITY REVIEW

- Yes 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- N/A 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

## BOND VERIFICATION (Fee wells only) \* 50,000 Surety \* St. Paul Fire and Marine Ins. Co; No chg. necessary, no Fee wells currently associated with bond.

- N/A 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- N/A 2. A copy of this form has been placed in the new and former operators' bond files.
- Yes 3. The former operator has requested a release of liability from their bond (yes/no) no. Today's date 1-12-94 1994. If yes, division response was made by letter dated 1-12-94 1994.

## LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- N/A 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated 1-12-94 1994, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- N/A 2. Copies of documents have been sent to State Lands for changes involving State leases.

## FILMING

- ✓ 1. All attachments to this form have been microfilmed. Date: March 10 1994.

## FILING

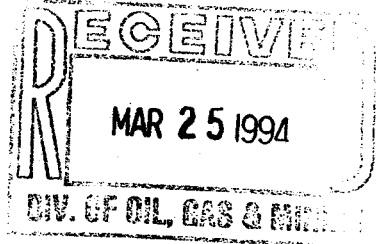
- ✓ 1. Copies of all attachments to this form have been filed in each well file.
- ✓ 2. The original of this form and the original attachments have been filed in the Operator Change file.

## COMMENTS

940107 Btm/S.Y. Approved C.A. NW-115 and San Arroyo Unit eff. 12-29-93.

**COPY**

Bureau of Land Management  
Branch of Fluid Minerals  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155



March 23, 1994

Northstar Gas Company, Inc.  
820 Gessner, Suite 1630  
Houston, Texas 77024

Re: San Arroyo Unit  
Grand County, Utah

Gentlemen:

On March 17, 1994, we received an indenture dated November 29, 1993, whereby Graham Energy, Ltd. resigned as Unit Operator and Northstar Gas Company, Inc. was designated as Successor Unit Operator for the San Arroyo Unit, Grand County, Utah.

The instrument is hereby approved effective March 23, 1994. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Unit Agreement.

Your statewide (Utah) oil and gas bond No. UT0845 will be used to cover all operations within the San Arroyo Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

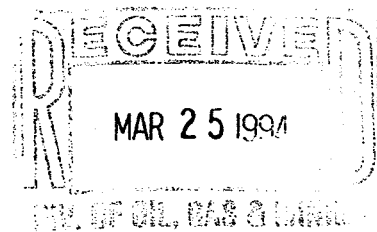
Sincerely,

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

bcc: District Manager - Moab (w/enclosure)  
~~Division of Oil, Gas & Mining~~  
Division of Lands and Mineral Operations U-942  
File - San Arroyo Unit (w/enclosure)  
MMS - Data Management Division  
Agr. Sec. Chron  
Fluid Chron

U-922:TAThompson:tt:03-23-94



WELL STATUS REPORTS  
UTAH STATE OFFICE

| INSPECTION ITEM                                | API NO.        | WELL<br>NUMBER | QTQT | SEC | TWN | RNG | WELL<br>STATUS | LEASE NAME | OPERATOR              |
|--|----------------|----------------|------|-----|-----|-----|----------------|------------|-----------------------|
| ** INSPECTION ITEM 891003859A SAN ARROYO DK MO |                |                |      |     |     |     |                |            |                       |
| 891003859A                                     | 430191589200S1 | 11             | NESW | 15  | 16S | 25E | PGW            | UTU05059C  | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191589300S1 | 12             | SWSW | 23  | 16S | 25E | PGW            | UTSL071307 | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191589400S1 | 13             | NESW | 22  | 16S | 25E | GS1            | UTU0370A   | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191589500X1 | 14             | SWNE | 16  | 16S | 25E | P+A            | STATE      | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191109100S1 | 15 (34-A)      | NESW | 21  | 16S | 25E | TA             | UTU0136529 | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191589600S1 | 16             | SESW | 26  | 16S | 25E | PGW            | UTU0369    | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191589700S1 | 17             | NENE | 24  | 16S | 25E | PGW            | UTU025243  | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191589800S1 | 18             | NWNW | 30  | 16S | 26E | GS1            | UTU06023   | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191589900S1 | 19             | SWSE | 14  | 16S | 25E | PGW            | UTU05011B  | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191590000S1 | 20             | SENE | 26  | 16S | 25E | PGW            | UTSL071307 | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191590100S1 | 21             | NWSE | 25  | 16S | 25E | PGW            | UTU0369    | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191590200S1 | 22             | NENE | 15  | 16S | 25E | PGW            | UTU05011A  | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191590300S1 | 24             | SENW | 19  | 16S | 26E | PGW            | UTU06188   | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191590400S1 | 25             | SWNE | 21  | 16S | 25E | PGW            | UTU0136529 | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191590500S1 | 26             | SWSW | 20  | 16S | 26E | PGW            | UTU025297  | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191590600S1 | 27             | NESW | 29  | 16S | 26E | PGW            | UTU06021   | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191590700S1 | 28             | NWNE | 29  | 16S | 26E | PGW            | UTU05650   | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191590800S1 | 29             | NENE | 22  | 16S | 25E | PGW            | UTU0370A   | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191590900S1 | 30             | NWSW | 21  | 16S | 26E | PGW            | UTU05650   | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430193052700S1 | 31             | NWNW | 22  | 16S | 25E | PGW            | UTU0370A   | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430193052800S1 | 32             | SWSW | 14  | 16S | 25E | PGW            | UTU05011B  | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430193060800S1 | 33             | SWSW | 25  | 16S | 25E | PGW            | UTU0369    | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191109000S1 | 35             | SESW | 24  | 16S | 25E | PGW            | UTU0369    | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430193125100S1 | 36-A           | SESE | 19  | 16S | 26E | PGW            | UTU06188   | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430193125200S1 | 37             | SWNE | 20  | 16S | 26E | PGW            | UTU05650   | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430193125300S1 | 38             | NESW | 16  | 16S | 25E | PGW            | STATE      | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191588700S1 | 4              | SESW | 30  | 16S | 26E | PGW            | UTU06023   | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430193128900S1 | 41             | NENE | 36  | 16S | 25E | PGW            | STATE      | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430193129000S1 | 42             | NESE | 30  | 16S | 26E | PGW            | UTU06023   | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430193129100S1 | 43             | NESE | 29  | 16S | 26E | PGW            | UTU06021   | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430193130100S1 | 44             | SENE | 30  | 16S | 26E | PGW            | UTU06023   | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430193129900S1 | 45             | NWSE | 20  | 16S | 26E | PGW            | UTU05650   | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430193131800S1 | 47             | NENE | 31  | 16S | 26E | PGW            | U06023     | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430193131600S1 | 49             | NENW | 29  | 16S | 26E | PGW            | UTU025245  | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191589000S1 | 8              | SWSW | 16  | 16S | 25E | PGW            | STATE      | GRAHAM ENERGY LIMITED |
| 891003859A                                     | 430191589100S1 | 9              | NWNE | 27  | 16S | 25E | PGW            | UTU0370A   | GRAHAM ENERGY LIMITED |
| ** INSPECTION ITEM 891003859B SAN ARROYO EN    |                |                |      |     |     |     |                |            |                       |
| 891003859B                                     | 430191653200S1 | 1              | SENW | 26  | 16S | 25E | PGW            | UTSL071307 | GRAHAM ENERGY LIMITED |
| 891003859B                                     | 430191588500S1 | 2              | SENW | 22  | 16S | 25E | PGW            | UTU0370A   | GRAHAM ENERGY LIMITED |
| 891003859B                                     | 430191588600S1 | 3              | SENW | 23  | 16S | 25E | GS1            | UTU0369    | GRAHAM ENERGY LIMITED |
| 891003859B                                     | 430193125000S1 | 40             | NWNE | 27  | 16S | 25E | PGW            | UTU0370A   | GRAHAM ENERGY LIMITED |
| 891003859B                                     | 430191588800S1 | 5              | NWSE | 25  | 16S | 25E | PGW            | UTU0369    | GRAHAM ENERGY LIMITED |
| 891003859B                                     | 430191588900S1 | 6              | SWNE | 21  | 16S | 25E | PGW            | UTU0136529 | GRAHAM ENERGY LIMITED |

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

Routing:

|              |
|--------------|
| 1-LEC 7-SJ   |
| 2-DEC 8-FILE |
| 3-VLC        |
| 4-RTH        |
| 5-ILE        |
| 6-PL         |

Attach all documentation received by the division regarding this change.  
 Initial each listed item when completed. Write N/A if item is not applicable.

- ☒ Change of Operator (well sold)      ☐ Designation of Agent  
☐ Designation of Operator      ☐ Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 9-1-93)

TO (new operator) **NORTHSTAR GAS COMPANY INC**  
 (address) **820 GESSNER #1630**  
**HOUSTON, TX 77024**  
**PAUL BERNARD**  
 phone (713) 935-9542  
 account no. N6680

FROM (former operator) **GRAHAM ENERGY LTD**  
 (address) **15000 NW FREEWAY STE 203**  
**HOUSTON, TX 77040**  
**C/O NORTHSTAR GAS CO INC**  
 phone (713) 937-4314  
 account no. N 7590

Well(s) (attach additional page if needed):

**\*\*SAN ARROYO UNIT**

|                               |                       |               |            |            |            |                   |
|-------------------------------|-----------------------|---------------|------------|------------|------------|-------------------|
| Name: <b>**SEE ATTACHED**</b> | API: <u>019-31250</u> | Entity: _____ | Sec. _____ | Twp. _____ | Rng. _____ | Lease Type: _____ |
| Name: _____                   | API: _____            | Entity: _____ | Sec. _____ | Twp. _____ | Rng. _____ | Lease Type: _____ |
| Name: _____                   | API: _____            | Entity: _____ | Sec. _____ | Twp. _____ | Rng. _____ | Lease Type: _____ |
| Name: _____                   | API: _____            | Entity: _____ | Sec. _____ | Twp. _____ | Rng. _____ | Lease Type: _____ |
| Name: _____                   | API: _____            | Entity: _____ | Sec. _____ | Twp. _____ | Rng. _____ | Lease Type: _____ |
| Name: _____                   | API: _____            | Entity: _____ | Sec. _____ | Twp. _____ | Rng. _____ | Lease Type: _____ |
| Name: _____                   | API: _____            | Entity: _____ | Sec. _____ | Twp. _____ | Rng. _____ | Lease Type: _____ |

**OPERATOR CHANGE DOCUMENTATION**

- See 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). (Reg. 1-14-94) (Reg. 3-28-94) (Rec'd Bill of Sale 4-11-94)
- See 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). (Rec'd 1-14-94)
- See 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) (yes) If yes, show company file number: #144214.
- See 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- See 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. (3-31-94)
- See 6. Cardex file has been updated for each well listed above. (3-31-94)
- See 7. Well file labels have been updated for each well listed above (3-31-94)
- See 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. (3-31-94)
- See 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

### ENTITY REVIEW

- See 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- N/A 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

### BOND VERIFICATION (Fee wells only)

- N/A  
See 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
2. A copy of this form has been placed in the new and former operators' bond files.
3. The former operator has requested a release of liability from their bond (yes/no)   . Today's date                      19  . If yes, division response was made by letter dated                      19  .

### LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- N/A 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated                      19  , of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- N/A 2. Copies of documents have been sent to State Lands for changes involving State leases.

### FILMING

1. All attachments to this form have been microfilmed. Date: 4-19 1994.

### FILING

- See 1. Copies of all attachments to this form have been filed in each well file.
- See 2. The original of this form and the original attachments have been filed in the Operator Change file.

### COMMENTS

940328 BLM/S.L. Appv. eff. 3-23-94.

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801

Page 4 of 5

## MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

KATHY TUSON  
NORTHSTAR GAS COMPANY INC  
820 GESSNER #1630  
HOUSTON TX 77024

UTAH ACCOUNT NUMBER: N6680

REPORT PERIOD (MONTH/YEAR): 4 / 96

AMENDED REPORT ☐ (Highlight Changes)

| Well Name           |        |            | Producing<br>Zone | Well<br>Status | Days<br>Oper | Production Volumes |          |            |
|---------------------|--------|------------|-------------------|----------------|--------------|--------------------|----------|------------|
| API Number          | Entity | Location   |                   |                |              | OIL(BBL)           | GAS(MCF) | WATER(BBL) |
| SAN ARROYO 1        |        |            |                   |                |              |                    |          |            |
| 4301916532          | 00505  | 16S 25E 26 | ENRD              |                |              | U-071307           |          |            |
| SAN ARROYO UNIT #40 |        |            |                   |                |              |                    |          |            |
| 4301931250          | 00505  | 16S 25E 27 | ENRD              |                |              | U-0370-A           |          |            |
| BITTER CREEK 1      |        |            |                   |                |              |                    |          |            |
| 4301930047          | 00515  | 16S 25E 2  | DK-MR             |                |              |                    |          |            |
| ARCO-STATE 2-1      |        |            |                   |                |              |                    |          |            |
| 4301930240          | 00520  | 16S 24E 2  | DKTA              |                |              |                    |          |            |
| ARCO-STATE 2-2      |        |            |                   |                |              |                    |          |            |
| 4301930241          | 00520  | 16S 24E 2  | DKTA              |                |              |                    |          |            |
| WILSON 33-15        |        |            |                   |                |              |                    |          |            |
| 4301930520          | 02870  | 16S 24E 33 | DKTA              |                |              |                    |          |            |
| TBIT U 1            |        |            |                   |                |              |                    |          |            |
| 4301915047          | 05215  | 16S 25E 10 | WSTC              |                |              |                    |          |            |
| BROWN USA 35-3      |        |            |                   |                |              |                    |          |            |
| 4301930771          | 06526  | 16S 24E 35 | DK-MR             |                |              |                    |          |            |
| STATE 36-16         |        |            |                   |                |              |                    |          |            |
| 4301930606          | 06527  | 16S 24E 36 | DKTA              |                |              |                    |          |            |
| FEDERAL 5-13        |        |            |                   |                |              |                    |          |            |
| 4301930544          | 06528  | 17S 24E 5  | DKTA              |                |              |                    |          |            |
| FEDERAL 3-15        |        |            |                   |                |              |                    |          |            |
| 4301930463          | 06530  | 17S 24E 3  | DK-MR             |                |              |                    |          |            |
| FEDERAL 3-8         |        |            |                   |                |              |                    |          |            |
| 4301930521          | 06545  | 17S 24E 3  | DKTA              |                |              |                    |          |            |
| FEDERAL 4-12        |        |            |                   |                |              |                    |          |            |
| 4301930522          | 06550  | 17S 24E 4  | DKTA              |                |              |                    |          |            |
| TOTALS              |        |            |                   |                |              |                    |          |            |

COMMENTS:

I hereby certify that this report is true and complete to the best of my knowledge.

Date: \_\_\_\_\_

Name and Signature: \_\_\_\_\_

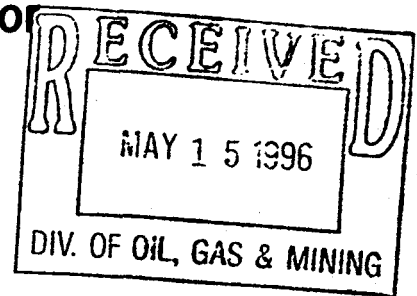
Telephone Number: \_\_\_\_\_

**COPY**

**United States Department of the Interior**

**BUREAU OF LAND MANAGEMENT**

Utah State Office  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155



IN REPLY REFER TO:  
UT-922

May 13, 1996

Enogex Exploration Corporation  
P.O. Box 24300  
Oklahoma City, Oklahoma 73124-0300

Re: San Arroyo Unit  
Grand County, Utah

Gentlemen:

On April 29, 1996, we received an indenture dated April 19, 1996, whereby Northstar Gas Company, Inc. resigned as Unit Operator and Enogex Exploration Corporation was designated as Successor Unit Operator for the San Arroyo Unit, Grand County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the San Arroyo Unit Agreement. The instrument is hereby approved effective May 13, 1996.

Your statewide (Utah) oil and gas bond No. 1044 will be used to cover all operations within the San Arroyo Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

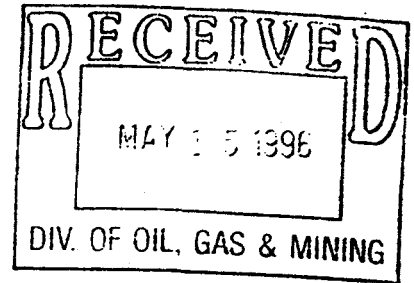
Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

bcc: District Manager - Moab (w/enclosure)  
~~Division of Oil, Gas & Mining~~  
Division of Lands and Mineral Operations U-942  
File - San Arroyo Unit (w/enclosure)  
MMS - Data Management Division  
Agr. Sec. Chron  
Fluid Chron



WELL STATUS REPORTS  
UTAH STATE OFFICE



| INSPECTION ITEM                                | API NO.        | WELL<br>NUMBER | QTQT | SEC | TWN | RNG | WELL<br>STATUS | LEASE NAME | OPERATOR                  |
|--|----------------|----------------|------|-----|-----|-----|----------------|------------|---------------------------|
| ** INSPECTION ITEM 891003859A SAN ARROYO DK MO |                |                |      |     |     |     |                |            |                           |
| 891003859A                                     | 430191589200S1 | 11             | NESW | 15  | 16S | 25E | PGW            | UTU05059C  | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191589300S1 | 12             | SWSW | 23  | 16S | 25E | PGW            | UTSL071307 | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191589400S1 | 13             | NESW | 22  | 16S | 25E | GS1            | UTU0370A   | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191589500X1 | 14             | SWNE | 16  | 16S | 25E | P+A            | STATE      | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191109100S1 | 15             | NESW | 21  | 16S | 25E | TA             | UTU0136529 | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191589600S1 | 16             | SESW | 26  | 16S | 25E | PGW            | UTU0369    | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191589700S1 | 17             | NENE | 24  | 16S | 25E | PGW            | UTU025243  | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191589800S1 | 18             | NWNW | 30  | 16S | 26E | PGW            | UTU06023   | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191589900S1 | 19             | SWSE | 14  | 16S | 25E | PGW            | UTU05011B  | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191590000S1 | 20             | SENE | 26  | 16S | 25E | PGW            | UTSL071307 | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191590100S1 | 21             | NWSE | 25  | 16S | 25E | PGW            | UTU0369    | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191590200S1 | 22             | NENE | 15  | 16S | 25E | PGW            | UTU05011A  | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191590300S1 | 24             | SENW | 19  | 16S | 26E | PGW            | UTU06188   | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191590400S1 | 25             | SWNE | 21  | 16S | 25E | PGW            | UTU0136529 | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191590500S1 | 26             | SWSW | 20  | 16S | 26E | PGW            | UTU025297  | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191590600S1 | 27             | NESW | 29  | 16S | 26E | PGW            | UTU06021   | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191590700S1 | 28             | NWNE | 29  | 16S | 26E | PGW            | UTU05650   | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191590800S1 | 29             | NENE | 22  | 16S | 25E | PGW            | UTU0370A   | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191590900S1 | 30             | NWSW | 21  | 16S | 26E | PGW            | UTU05650   | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430193052700S1 | 31             | NWNW | 22  | 16S | 25E | PGW            | UTU0370A   | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430193052800S1 | 32             | SWSW | 14  | 16S | 25E | PGW            | UTU05011B  | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430193060800S1 | 33             | SWSW | 25  | 16S | 25E | PGW            | UTU0369    | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191109000S1 | 35             | SESW | 24  | 16S | 25E | PGW            | UTU0369    | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430193125100S1 | 36-A           | SESE | 19  | 16S | 26E | PGW            | UTU06188   | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430193125200S1 | 37             | SWNE | 20  | 16S | 26E | PGW            | UTU05650   | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430193125300S1 | 38             | NESW | 16  | 16S | 25E | PGW            | STATE      | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191588700S1 | 4              | SESW | 30  | 16S | 26E | PGW            | UTU06023   | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430193128900S1 | 41             | NENE | 36  | 16S | 25E | PGW            | STATE      | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430193129000S1 | 42             | NESE | 30  | 16S | 26E | PGW            | UTU06023   | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430193129100S1 | 43             | NESE | 29  | 16S | 26E | PGW            | UTU06021   | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430193130100S1 | 44             | SENE | 30  | 16S | 26E | PGW            | UTU06023   | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430193129900S1 | 45             | NWSE | 20  | 16S | 26E | PGW            | UTU05650   | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430193131800S1 | 47             | NENE | 31  | 16S | 26E | PGW            | U06023     | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430193131600S1 | 49             | NENW | 29  | 16S | 26E | PGW            | UTU025245  | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191589000S1 | 8              | SWSW | 16  | 16S | 25E | PGW            | STATE      | NORTHSTAR GAS COMPANY INC |
| 891003859A                                     | 430191589100S1 | 9              | NWNE | 27  | 16S | 25E | PGW            | UTU0370A   | NORTHSTAR GAS COMPANY INC |
| ** INSPECTION ITEM 891003859B SAN ARROYO EN    |                |                |      |     |     |     |                |            |                           |
| 891003859B                                     | 430191653200S1 | 1              | SENW | 26  | 16S | 25E | PGW            | UTSL071307 | NORTHSTAR GAS COMPANY INC |
| 891003859B                                     | 430191588500S1 | 2              | SENW | 22  | 16S | 25E | PGW            | UTU0370A   | NORTHSTAR GAS COMPANY INC |
| 891003859B                                     | 430191588600S1 | 3              | SENW | 23  | 16S | 25E | GS1            | UTU0369    | NORTHSTAR GAS COMPANY INC |
| 891003859B                                     | 430193125000S1 | 40             | NWNE | 27  | 16S | 25E | PGW            | UTU0370A   | NORTHSTAR GAS COMPANY INC |
| 891003859B                                     | 430191588800S1 | 5              | NWSE | 25  | 16S | 25E | PGW            | UTU0369    | NORTHSTAR GAS COMPANY INC |
| 891003859B                                     | 430191588900S1 | 6              | SWNE | 21  | 16S | 25E | PGW            | UTU0136529 | NORTHSTAR GAS COMPANY INC |

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

# SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL ☐ GAS ☒ OTHER:

2. Name of Operator:

ENOGEX EXPLORATION CORPORATION

3. Address and Telephone Number:

P.O. Box 24300, Oklahoma City, OK 73124-0300 405 557-5281

4. Location of Well

Footage:

OQ, Sec., T., R., M.:

5. Lease Designation and Serial Number:

ML-4113

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:

San Arroyo Unit

9. API Well Number:

10. Field and Pool, or Wildcat:

County: Grand

State: Utah

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

### NOTICE OF INTENT (Submit in Duplicate)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon                   | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion       | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____               |   |

Approximate date work will start \_\_\_\_\_

### SUBSEQUENT REPORT (Submit Original Form Only)

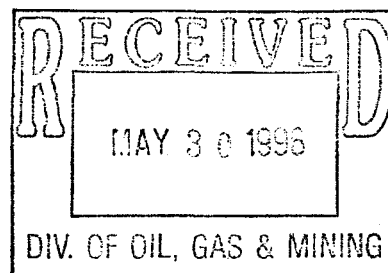
- |   |   |
|---|---|
| <input type="checkbox"/> Abandon *                                  | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing                              | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans                            | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Convert to Injection                       | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize                  | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other <u>Change of Operator</u> |   |

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)



13.

Name & Signature:

*Claudine Gilliam*  
Claudine Gilliam

Title:

Senior Landman

Date:

5/20/96

(This space for State use only)



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
324 South State, Suite 301  
Salt Lake City, Utah 84111-2303

IN REPLY REFER TO:

May 13, 1996

Enogex Exploration Corporation  
P.O. Box 24300  
Oklahoma City, Oklahoma 73124-0300

Re: San Arroyo Unit  
Grand County, Utah

Gentlemen:

On April 29, 1996, we received an indenture dated April 19, 1996, whereby Northstar Gas Company, Inc. resigned as Unit Operator and Enogex Exploration Corporation was designated as Successor Unit Operator for the San Arroyo Unit, Grand County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the San Arroyo Unit Agreement. The instrument is hereby approved effective May 13, 1996.

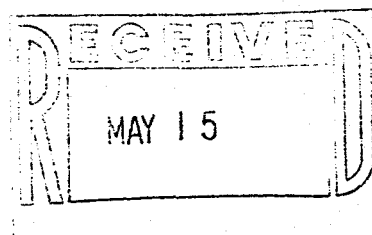
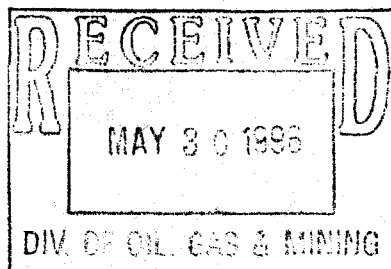
Your statewide (Utah) oil and gas bond No. 1044 will be used to cover all operations within the San Arroyo Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure



RESIGNATION OF UNIT OPERATOR

SAN ARROYO UNIT AREA

COUNTY OF GRAND

STATE OF UTAH

UNIT AGREEMENT NO. 14-08-001-3859

Under and pursuant to the provisions of Section 5 of the Unit Agreement for the Development and Operation of the San Arroyo Unit Area, Grand County, Utah, Northstar Gas Company, Inc., the designated Unit Operator under said Unit Agreement, does hereby resign as Unit Operator, effective upon the selection and approval of a successor Unit Operator.

EXECUTED with effect as aforesaid the 23<sup>rd</sup> day of April, 1996.

ATTEST:

NORTHSTAR GAS COMPANY, INC.

K. M. McK  
Title Corporate Secretary

By: K. M. McK  
Title: E. Vice President

RESIGNATION OF UNIT OPERATOR

SAN ARROYO UNIT AREA

COUNTY OF GRAND

STATE OF UTAH

UNIT AGREEMENT NO. 14-08-001-385

THIS INDENTURE, dated as of the 19<sup>th</sup> day of April, 1996, by and between ENOGEX EXPLORATION CORPORATION, hereinafter designated as "First Party", and the owners of the unitized working interests, hereinafter designated as "Second Parties",

Return to:  
Enogex Exploration Corporation  
Post Office Box 2430  
Oklahoma City, OK 73124-0300

W I T N E S S E T H:

WHEREAS, under the provisions of the Act of February 15, 1920, 4 Stat. 437, 30 U.S.C. Sec. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior, on the 2nd day of August, 1957, approved a Unit Agreement for the San Arroyo Unit Area, wherein Sinclair Oil Company was designated as Unit Operator, and

WHEREAS, Northstar Gas Company, Inc. by subsequent designation is currently Unit Operator, but has resigned hereby as such Operator and the designation of a successor Unit Operator is now required pursuant to the terms thereof, and

WHEREAS, the First Party has been and hereby is designated by Second Parties as Unit Operator, and said First Party desires to assume all the rights, duties and obligations of Unit Operator under the same Unit Agreement.

NOW, THEREFORE, in consideration of the premises hereinbefore set forth and the premises hereinafter stated, the First Party hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of the San Arroyo Unit agreements, and the Second Parties covenant and agree that, effective upon approval of this indenture by the chief, Branch of Fluid Minerals, Bureau of Land Management, First Party shall be granted the exclusive privileges as Unit Operator, pursuant to the terms and conditions of said Unit Agreement; said Unit Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth.

ATTEST:

FIRST PARTY

ENOGEX EXPLORATION CORPORATION

BY: John J. Morozuk  
TITLE: SECRETARY

BY: J. O. Edwards, Jr.  
TITLE: J. O. EDWARDS, JR., PRESIDENT

DATE: 4/19/96

ATTEST:

SECOND PARTY

NORTHSTAR GAS COMPANY, INC.

BY: Kenneth M. McKinney  
TITLE: Corporate Secretary

BY: Kenneth M. McKinney  
TITLE: E. Vice President  
DATE: 4/23/96

BOOK CLIFFS OIL & GAS COMPANY

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_

NATIONAL FUEL CORPORATION

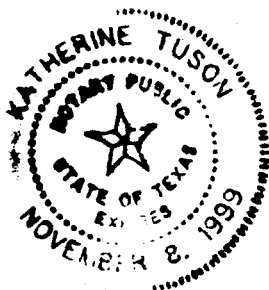
BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_

STATE OF TEXAS            )  
                                  ) SS  
COUNTY OF HARRIS        )

This instrument was acknowledged before me on the 23RD day of APRIL, 1996, by Kenneth M. McKinney, as Executive Vice President of NORTHSTAR GAS COMPANY, INC., a Texas Corporation, on behalf of said corporation.

Katherine Tuson  
Notary Public in and for the  
State of TEXAS  
My commission expires 11/8/99



STATE OF OKLAHOMA     )  
                                      )  
COUNTY OF OKLAHOMA    )

This instrument was acknowledged before me on the 19th  
day of April, 1996, by J.O. EDWARDS, as President of  
ENOGEX EXPLORATION CORPORATION, an Oklahoma corporation, on  
behalf of said corporation.

Quentin L. Williams  
Notary Public in and for the  
State of Oklahoma  
My Commission expires 4/22/99

STATE OF                         )  
                                      ) SS  
COUNTY OF                     )

The foregoing instrument was acknowledged before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 1996, by \_\_\_\_\_,  
as \_\_\_\_\_ and by \_\_\_\_\_, as Assistant  
Secretary of BOOK CLIFFS OIL & GAS COMPANY, a \_\_\_\_\_  
corporation.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

Place of Residence:

\_\_\_\_\_

STATE OF )  
 ) SS  
COUNTY OF )

The foregoing instrument was acknowledged before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 1996, by \_\_\_\_\_,  
as \_\_\_\_\_, and by \_\_\_\_\_, as  
Assistant Secretary of NATIONAL FUEL CORPORATION, a  
\_\_\_\_\_ corporation.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_  
Place of Residence:  
\_\_\_\_\_



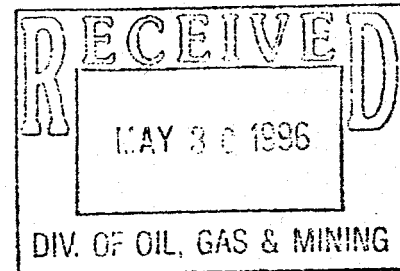


600 Central Park Two / 515 Central Park Drive / Oklahoma City, OK 73105  
Post Office Box 24300 / Oklahoma City, Oklahoma 73124-0300  
405 525-7788 / FAX 405 557-5258

May 21, 1996

Ms. Lisha Cordova  
State of Utah  
Department of Oil, Gas & Mining  
Salt Lake City, Utah 84111-2303

Re: Acquisition of Producing Properties  
and Operatorship from Northstar Resources  
Grand and Uintah Counties, Utah



Dear Ms. Cordova:

Enogex Exploration Corporation acquired the working interest and operatorship of certain properties in Grand and Uintah Counties, Utah from Northstar Resources, Inc. effective 5/1/96. In this regard we enclose the following for the records:

1. Original Sundry Notices filed in triplicate for each of the wells on the three leases where the State of Utah owns the mineral rights.
2. Three copies each of the Sundry Notices for the 1 Gilbert and the 27-1 which has been approved by the BLM.
3. A copy of the Resignation of Unit Operator and Designation of Successor Unit Operator for the San Arroyo Unit along with approval of same by the BLM.
4. A copy of the Successor Operator of Communitization Agreement NW-115 along with approval of same by the BLM.
5. A list of the wells and locations which Enogex Exploration Corporation acquired from Northstar Resources and will be operating.

Please be advised we provided our State of Utah Blanket Bond in the amount of \$80,000 with our letter dated April 16, 1996, to the School & Institutional Trust Lands Administration

If any thing further is needed, please contact the undersigned at 405 557-5281.

Sincerely,

A handwritten signature in cursive script that reads "Claudine Gilliam". The signature is written in dark ink and is positioned above the printed name and title.

Claudine Gilliam  
Senior Landman

## OPERATOR CHANGE WORKSHEET

Attach all documentation received by the division regarding this change.

Initial each listed item when completed. Write N/A if item is not applicable.

|           |        |
|-----------|--------|
| 1-LEC     | 6-IDE  |
| 2-GLH/141 | 7-KDR  |
| 3-DPS 255 | 8-SJ   |
| 4-VLD     | 9-FILE |
| 5-RJF     |        |

- ☒ Change of Operator (well sold)      ☐ Designation of Agent  
☐ Designation of Operator      ☐ Operator Name Change Only

The operator of the well(s) listed below has changed, effective: 5-13-96

TO: (new operator) ENOGEX EXPLORATION CORP.  
 (address) PO BOX 24300  
OKLAHOMA CITY OK 73124-0300

Phone: (405) 525-7788

Account no. N7430

FROM: (old operator) NORTHSTAR GAS COMPANY INC  
 (address) 820 GESSNER #1630  
HOUSTON TX 77024

Phone: (713) 935-9542

Account no. N6680

WELL(S) attach additional page if needed:

**\*SAN ARROYO UNIT**

|                               |                          |               |         |         |         |              |
|-------------------------------|--------------------------|---------------|---------|---------|---------|--------------|
| Name: <b>**SEE ATTACHED**</b> | API: <u>43-019-31250</u> | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____                   | API: _____               | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____                   | API: _____               | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____                   | API: _____               | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____                   | API: _____               | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____                   | API: _____               | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |
| Name: _____                   | API: _____               | Entity: _____ | S _____ | T _____ | R _____ | Lease: _____ |

## OPERATOR CHANGE DOCUMENTATION

- lec 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). *(field 5-30-96)*
- lec 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). *(field 5-30-96)*
- NA 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is the company registered with the state? (yes/no) \_\_\_\_\_ If yes, show company file number: \_\_\_\_\_.
- lec 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of Federal and Indian well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below.
- lec 5. Changes have been entered in the Oil and Gas Information System (3270) for each well listed above. *(6-12-96)*
- lec 6. Cardex file has been updated for each well listed above. *(6-13-96)*
- lec 7. Well file labels have been updated for each well listed above. *(6-13-96)*
- lec 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(6-12-96)*
- lec 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

## ENTITY REVIEW

- Yic 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) (no) If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- N/A 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

## BOND VERIFICATION - (FEE WELLS ONLY) Trust Lands / \$80,000 "Enogex" on file.

- Yic 1. (r649-3-1) The NEW operator of any fee lease well listed above has furnished a proper bond.
- N/A 2. A copy of this form has been placed in the new and former operator's bond files.
- N/A 3. The FORMER operator has requested a release of liability from their bond (yes/no) \_\_\_\_\_, as of today's date \_\_\_\_\_. If yes, division response was made to this request by letter dated \_\_\_\_\_.

## LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- DTJ 1. Copies of documents have been sent on 7/8/96 to Ed Bonner at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.

## FILMING

- WDR 1. All attachments to this form have been microfilmed. Today's date: July 18, 1996

## FILING

- \_\_\_ 1. Copies of all attachments to this form have been filed in each well file.
- \_\_\_ 2. The original of this form, and the original attachments are now being filed in the Operator Change file.

## COMMENTS

960524 Alm/SL aprv. eff. 5-13-96.



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

# RECEIVED

AUG 21 2000

DIVISION OF  
OIL, GAS AND MINING

N REPLY REFER TO  
UT-931

August 17, 2000

Crescendo Energy, LLC  
c/o Pruitt, Gushee & Bachtell  
Attn: William E. Ward  
Suite 1850 Beneficial Life Tower  
Salt Lake City, Utah 84111-1495

Re: San Arroyo Unit  
Grand County, Utah

Gentlemen:

On August 14, 2000, we received an indenture dated June 30, 2000, whereby Enogex Exploration Corporation resigned as Unit Operator and Crescendo Energy, LLC was designated as Successor Unit Operator for the San Arroyo Unit, Grand County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective August 17, 2000.

Your statewide (Utah) oil and gas bond No. 1184 will be used to cover all operations within the San Arroyo Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Moab (w/enclosure)  
Division of Oil, Gas & Mining  
Minerals Adjudication Group U-932  
File - San Arroyo Unit (w/enclosure)  
MMS - Data Management Division  
Agr. Sec. Chron  
Fluid Chron

UT931:TAThompson:tt:8/17/00

Well Status Report  
Utah State Office  
Bureau of Land Management

| Lease                          | Api Number            | Well Name                     | QTR             | Section       | Township        | Range           | Well Status    | Operator                       |
|--------------------------------|-----------------------|-------------------------------|-----------------|---------------|-----------------|-----------------|----------------|--------------------------------|
| ** Inspection Item: 891003859A |                       |                               |                 |               |                 |                 |                |                                |
| UTU025297                      | 4301915905            | 1 (26) FEDERAL-GRAND          | SWSW            | 20            | T16S            | R26E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU05059C                      | 4301915892            | 11 SAN ARROYO UNIT            | NESW            | 15            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTSL071307                     | 4301915893            | 12 SAN ARROYO UNIT            | SWSW            | 23            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU0370A                       | 4301915894            | 13 SAN ARROYO UNIT            | SWSW            | 22            | T16S            | R25E            | GSI            | ENOGEX EXPLORATION CORPORATION |
| STATE                          | <del>4301915895</del> | <del>14 SAN ARROYO UNIT</del> | <del>SWNE</del> | <del>16</del> | <del>T16S</del> | <del>R25E</del> | <del>P+A</del> | ENOGEX EXPLORATION CORPORATION |
| UTU0136529                     | 4301911091            | 15 (34-A) SAN ARROYO          | NESW            | 21            | T16S            | R25E            | ABD            | ENOGEX EXPLORATION CORPORATION |
| UTU0369                        | 4301915896            | 16 SAN ARROYO UNIT            | SESW            | 26            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU025243                      | 4301915897            | 17 SAN ARROYO UNIT            | NENE            | 24            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU06023                       | 4301915898            | 18 SAN ARROYO UNIT            | NWNW            | 30            | T16S            | R26E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU05011B                      | 4301915899            | 19 SAN ARROYO                 | SWSE            | 14            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTSL071307                     | 4301915900            | 20 SAN ARROYO                 | SENE            | 26            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU0369                        | 4301915901            | 21 SAN ARROYO                 | NWSE            | 25            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU05011A                      | 4301915902            | 22 SAN ARROYO                 | NENE            | 15            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU06188                       | 4301915903            | 24 SAN ARROYO UNIT            | SENW            | 19            | T16S            | R26E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU0136529                     | 4301915904            | 25 SAN ARROYO                 | SWNE            | 21            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU06021                       | 4301915906            | 27 SAN ARROYO                 | NESW            | 29            | T16S            | R26E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU05650                       | 4301915907            | 28 FEDERAL                    | NWNE            | 29            | T16S            | R26E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU0370A                       | 4301915908            | 29 SAN ARROYO UNIT            | NENE            | 22            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU0369                        | 4301915886            | 3 UNIT                        | SENW            | 23            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU05650                       | 4301915909            | 30 SAN ARROYO UNIT            | NWSW            | 21            | T16S            | R26E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU0370A                       | 4301930527            | 31 SAN ARROYO UNIT            | NWNW            | 22            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU05011B                      | 4301930528            | 32 SAN ARROYO UNIT            | SWSW            | 14            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU0369                        | 4301930608            | 33 SAN ARROYO UNIT            | SWSW            | 25            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU06188                       | 4301931251            | 36-A SAN ARROYO UNIT          | SESE            | 19            | T16S            | R26E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU05650                       | 4301931252            | 37 SAN ARROYO UNIT            | SWNE            | 20            | T16S            | R26E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| STATE                          | 4301931253            | 38 SAN ARROYO UNIT            | SWNE            | 16            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU06023                       | 4301915887            | 4 GOVT-SAN ARROYO             | SESW            | 30            | T16S            | R26E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| STATE                          | 4301931289            | 41 SAN ARROYO UNIT            | NENE            | 36            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU06023                       | 4301931290            | 42 SAN ARROYO UNIT            | NESE            | 30            | T16S            | R26E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU06021                       | 4301931291            | 43 SAN ARROYO UNIT            | NESE            | 29            | T16S            | R26E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU06023                       | 4301931301            | 44 SAN ARROYO                 | SENE            | 30            | T16S            | R26E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU05650                       | 4301931299            | 45 SAN ARROYO                 | NWSE            | 20            | T16S            | R26E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU06023                       | 4301931318            | 47 FEDERAL                    | NWNE            | 31            | T16S            | R26E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU025245                      | 4301931316            | 49 FEDERAL                    | NENW            | 29            | T16S            | R26E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU0369                        | 4301911090            | 7 (35) SAN ARROYO             | SESW            | 24            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| STATE                          | 4301915890            | 8 SAN ARROYO UNIT             | SWSW            | 16            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |
| UTU0370A                       | 4301915891            | 9 SAN ARROYO UNIT             | NWNE            | 27            | T16S            | R25E            | PGW            | ENOGEX EXPLORATION CORPORATION |

|                                |            |                    |      |    |      |      |     |                                |
|--------------------------------|------------|--------------------|------|----|------|------|-----|--------------------------------|
| ** Inspection Item: 891003859B |            |                    |      |    |      |      |     |                                |
| UTSL071307                     | 4301916532 | 1 GOVT SAN ARROYO  | SENW | 26 | T16S | R25E | GSI | ENOGEX EXPLORATION CORPORATION |
| UTU0370A                       | 4301915885 | 2 UNIT             | SENW | 22 | T16S | R25E | GSI | ENOGEX EXPLORATION CORPORATION |
| UTU0370A                       | 4301931250 | 40 SAN ARROYO UNIT | NWNE | 27 | T16S | R25E | TA  | ENOGEX EXPLORATION CORPORATION |
| UTU0369                        | 4301915888 | 5 SAN ARROYO UNIT  | NWSE | 25 | T16S | R25E | GSI | ENOGEX EXPLORATION CORPORATION |
| UTU0136529                     | 4301915889 | 6 SAN ARROYO UNIT  | SWNE | 21 | T16S | R25E | PGW | ENOGEX EXPLORATION CORPORATION |

# Crescendo Energy, LLC

P.O. Box 1814  
Midland, TX 79702  
Phone: 915-697-7221  
Fax: 915-697-7289

August 23, 2000

Attn: Mr. Jim Thompson  
Utah Division of Oil, Gas & Mining  
1594 W North Temple  
Salt Lake City, Utah 84114-5801

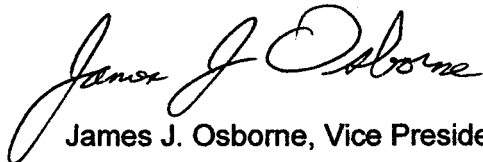
Re: Change of Operator

Dear Mr. Thompson:

The attached list of properties was formerly owned and operated by Enogex Exploration Corporation. Crescendo Energy, LLC has purchased the properties and has taken over operations. If you have any questions, please feel free to contact me at the phone number listed above.

Sincerely yours,  
Crescendo Energy, LLC

By: Crescendo Energy Partners, LLC, its  
Managing Member



James J. Osborne, Vice President

Confirmation by Previous Operator:

Enogex Exploration Corporation

By: Chris J. Haugen  
Name (Print): CHRIS J. HAUGEN  
Title: Manager, E&P

jjo  
Attachment



Utah Department of Commerce  
Division of Corporations & Commercial Code  
160 East 300 South, 2nd Floor, Box 146705  
Salt Lake City, UT 84114-6705  
Service Center: (801) 530-4849  
Toll Free: (877) 526-3994 Utah Residents  
Fax: (801) 530-6438  
Web site: <http://www.commerce.state.ut.us>

CRESCENDO ENERGY, LLC


August 4, 2000

## CERTIFICATE OF EXISTENCE

Registration Number: PENDING  
Business Name: CRESCENDO ENERGY, LLC  
Registered Date: JULY 13, 2000  
Foreign or Domestic: FOREIGN  
Current Status: GOOD STANDING

The Division of Corporations and Commercial Code of the State of Utah, custodian of the records of business registrations, certifies that the business entity on this certificate is authorized to transact business and was duly registered under the laws of the State of Utah.



  
Lorena Rizzo-Jenson  
Division Director of  
Corporations and Commercial Code

Dept. of Professional Licensing  
(801)530-6628

Real Estate  
(801)530-6747

Public Utilities  
(801)530-6651

Securities  
(801)530-6600

Consumer Protection  
(801)530-6601



RESIGNATION OF UNIT OPERATOR

San Arroyo Unit Area

County of

State of Utah

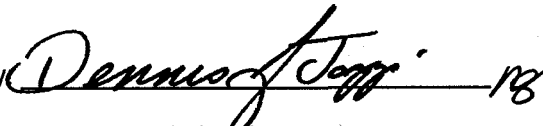
Unit Agreement No. 14-08-001-3859

Under and pursuant to the provisions of Section 5 of the Unit Agreement for the Development and Operation of the San Arroyo Unit Area, Grand County, Utah, Enogex Exploration Corporation, the designated Unit Operator under said Unit Agreement, does hereby resign as Unit Operator, effective upon the selection and approval of a successor Unit Operator.

EXECUTED with effect as aforesaid the 30th day of June, 2000.

ENOGEX EXPLORATION CORPORATION

By

 18

Name: Dennis F. Jaggi

Title: Vice President

DESIGNATION OF  
SUCCESSOR UNIT OPERATOR

San Arroyo Unit Area

County of

State of Utah

Unit Agreement No. 14-08-001-3859

THIS INDENTURE, dated as of the 30th day of June, 2000, by and between Crescendo Energy, L.L.C., hereinafter designated as "First Party", and the owners of unitized working interests, hereinafter designated as "Second Parties",

WITNESSETH:

WHEREAS, under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C. Secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior, on the 2nd day of August, 1957, approved a Unit Agreement for the San Arroyo Unit Area, wherein Sinclair Oil Company was designated as Unit Operator, and

WHEREAS Enogex Exploration Corporation by subsequent designation is currently Unit Operator, but has resigned as such Operator and the designation of a successor Unit Operator is now required pursuant to the terms thereon; and

WHEREAS the First Party has been and hereby is designated by Second Parties as Unit Operator, and said First Party desires to assume all the rights, duties and obligations of Unit Operator under the said Unit Agreement:

NOW, THEREFORE, in consideration of the premises hereinbefore set forth and the promises hereinafter stated, the First party hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of the San Arroyo Unit Agreements, and the Second Parties covenant and agree that, effective upon approval of this indenture by the Chief, Branch of Fluid Minerals, Bureau of Land Management, First Party shall be granted the exclusive right and privilege of exercising any and all rights and privileges as Unit Operator, pursuant to the terms and conditions of said Unit Agreement; said unit Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth.

FIRST PARTY:

CRESCENDO ENERGY, L.L.C.

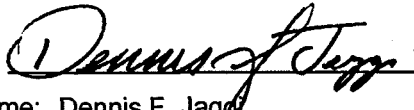
BY: CRESCENDO ENERGY PARTNERS, LLC, its managing member.

By: James J. Osborne

Title: VICE PRESIDENT

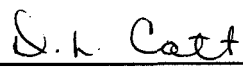
SECOND PARTIES:

ENOGEX EXPLORATION CORPORATION


By:  *rfj*  
Name: Dennis F. Jaggi  
Title: Vice-President

Execution Date: 7/10/00

BOOK CLIFFS OIL & GAS COMPANY

By:   
Name: D. L. Catt  
Title: Vice President  
Execution Date: 7-18-00

NATIONAL FUEL CORPORATION

By:   
Name: **J.C. THOMPSON**  
**Chairman**  
Title: \_\_\_\_\_  
Execution Date: 8/7/00

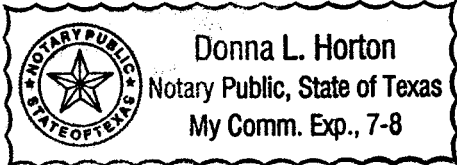
CORPORATE ACKNOWLEDGEMENT

Carth  
STATE OF ~~TEXAS~~ )

COUNTY OF Sonoma ) SS

Paul J. Osborne This instrument was acknowledged before me on the 10 day of AUGUST, 2000, by Donna L. Horton, as V.P. MANAGING MEMBER of Crescendo Energy, L.L.C., on behalf of said corporation.

WITNESS my hand and official seal.



Donna L. Horton  
Notary Public in and for the  
State of Texas

My commission expires 7/8/02

CORPORATE ACKNOWLEDGEMENT

STATE OF OKLAHOMA )

COUNTY OF OKLAHOMA ) SS

This instrument was acknowledged before me on the 10<sup>th</sup> day of July, 2000, by Dennis F. Jaggi, as Vice-President of Enogex Exploration Corporation, on behalf of said corporation.

WITNESS my hand and official seal.

[Signature]  
Notary Public in and for the State of Oklahoma

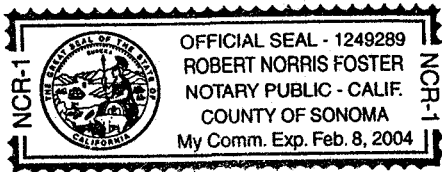
My commission expires 8/21/01

CORPORATE ACKNOWLEDGEMENT

STATE OF Calif )  
 ) SS  
COUNTY OF Sonoma )

This instrument was acknowledged before me on the 18 day of July, 2000, by D L Catt, as Vice Pres of Book Cliffs Oil & Gas Company, on behalf of said corporation.

WITNESS my hand and official seal.



Robert West  
Notary Public in and for the State of Oklahoma  
My commission expires 2/8/04

CORPORATE ACKNOWLEDGEMENT

STATE OF Colorado )  
 ) SS  
COUNTY OF Arapahoe )

This instrument was acknowledged before me on the 7 day of August, 2000, by JC Thompson, as Chairman of National Fuel Corporation, on behalf of said corporation.

WITNESS my hand and official seal.



Brenda K Mayland  
Notary Public in and for the State of ~~Oklahoma~~ Colorado  
My commission expires 4-13-01

## OPERATOR CHANGE WORKSHEET

## ROUTING

|        |   |        |
|--------|---|--------|
| 1. GLH |   | 4-KAS  |
| 2. CDW | ✓ | 5-870  |
| 3. JLT |   | 6-FILE |

Enter date after each listed item is completed

**X Change of Operator (Well Sold)**

Designation of Agent

Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective:

06-30-2000**FROM:** (Old Operator):

ENOGEX EXPLORATION CORPORATION

Address: P. O. BOX 24300

OKLAHOMA CITY, OK 73124-0300

Phone: 1-(405)-525-7788

Account No. N7430

**TO:** ( New Operator):

CRESCENDO ENERGY PARTNERS LLC

Address: P. O. BOX 1814

MIDLAND, TX 79702

Phone: 1-(915)-697-7221

Account N1365

CA No.

Unit: SAN ARROYO

**WELL(S)**

| NAME             | API<br>NO.   | ENTITY<br>NO. | SEC. TWN<br>RNG | LEASE<br>TYPE | WELL<br>TYPE | WELL<br>STATUS |
|------------------|--------------|---------------|-----------------|---------------|--------------|----------------|
| SAN ARROYO # 38  | 43-019-31253 | 500           | 16-16S-25E      | STATE         | GW           | P              |
| SAN ARROYO # 6   | 43-019-15889 | 505           | 21-16S-25E      | FEDERAL       | GW           | S              |
| SAN ARROYO # 2   | 43-019-15885 | 505           | 22-16S-25E      | FEDERAL       | GW           | P              |
| SAN ARROYO # 35  | 43-019-11090 | 500           | 24-16S-25E      | FEDERAL       | GW           | P              |
| SAN ARROYO # 5   | 43-019-15888 | 505           | 25-16S-25E      | FEDERAL       | GW           | S              |
| SAN ARROYO # 33  | 43-019-30608 | 500           | 25-16S-25E      | FEDERAL       | GW           | S              |
| SAN ARROYO # 1   | 43-019-16532 | 505           | 26-16S-25E      | FEDERAL       | GW           | P              |
| SAN ARROYO # 40  | 43-019-31250 | 505           | 27-16S-25E      | FEDERAL       | GW           | S              |
| SAN ARROYO # 36A | 43-019-31251 | 500           | 19-16S-26E      | FEDERAL       | GW           | P              |
| SAN ARROYO # 37  | 43-019-31252 | 500           | 20-16S-26E      | FEDERAL       | GW           | P              |
| SAN ARROYO # 45  | 43-019-31299 | 500           | 20-16S-26E      | FEDERAL       | GW           | P              |
| SAN ARROYO # 43  | 43-019-31291 | 500           | 29-16S-26E      | FEDERAL       | GW           | P              |
| SAN ARROYO # 49  | 43-019-31316 | 500           | 29-16S-26E      | FEDERAL       | GW           | P              |
| SAN ARROYO # 42  | 43-019-31290 | 500           | 30-16S-26E      | FEDERAL       | GW           | P              |
| SAN ARROYO # 44  | 43-019-31301 | 500           | 30-16S-26E      | FEDERAL       | GW           | P              |
| SAN ARROYO # 47  | 43-019-31318 | 500           | 31-16S-26E      | FEDERAL       | GW           | P              |
| SAN ARROYO # 41  | 43-019-31289 | 500           | 36-16S-25E      | STATE         | GW           | P              |
|                  |              |               |                 |               |              |                |
|                  |              |               |                 |               |              |                |
|                  |              |               |                 |               |              |                |
|                  |              |               |                 |               |              |                |
|                  |              |               |                 |               |              |                |
|                  |              |               |                 |               |              |                |

**OPERATOR CHANGES DOCUMENTATION**1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on:08/23/20002. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on:08/23/2000

3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 10/19/2000
4. Is the new operator registered in the State of Utah: YES Business Number: 4549132-0143
5. If **NO**, the operator was contacted on: \_\_\_\_\_
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 08/17/2000
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 08/17/2000
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A
9. **Underground Injection Control ("UIC") Proj:** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

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**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 10/19/2000
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/19/2000
3. Bond information entered in RBDMS on: \_\_\_\_\_
4. Fee wells attached to bond in RBDMS on: \_\_\_\_\_

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**STATE BOND VERIFICATION:**

1. State well(s) covered by Bond No.: 437484

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**FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

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**FILMING:**

1. All attachments to this form have been **MICROFILMED** on: 3.5.01

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**FILING:**

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filled in each well file on: \_\_\_\_\_

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**COMMENTS:**

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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

|   |  |  |
|---|--|--|
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>See attached          |
| 2. NAME OF OPERATOR:<br>Slate River Resources, LLC <i>N2725</i>   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:                            |
| 3. ADDRESS OF OPERATOR:<br>418 Main Street, Ste. 18 CITY Vernal STATE UT ZIP 84078                            |  | 7. UNIT or CA AGREEMENT NAME:<br>San Arroyo Unit and other wells |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: See attached schedule of wells                                    |  | 8. WELL NAME and NUMBER:<br>See attached                         |
| PHONE NUMBER:<br>(435) 781-1870   |  | 9. API NUMBER:<br>See attach                                     |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  |  | 10. FIELD AND POOL, OR WILDCAT:<br>See attached                  |

COUNTY: Grand

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |  |
|---|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br>Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
|   | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> FRACTURE TREAT                   | <input type="checkbox"/> SIDETRACK TO REPAIR WELL      |
|   | <input type="checkbox"/> CASING REPAIR                  | <input type="checkbox"/> NEW CONSTRUCTION                 | <input type="checkbox"/> TEMPORARILY ABANDON           |
|   | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS       | <input checked="" type="checkbox"/> OPERATOR CHANGE       | <input type="checkbox"/> TUBING REPAIR                 |
|   | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE                 |
| <input type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion: _____   | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                |
|   | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input type="checkbox"/> OTHER: _____                  |
|   | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |  |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Crescendo Energy, LLC is a wholly owned subsidiary of Slate River Resources, LLC. All the wells, properties and leasehold interest of Crescendo Energy, LLC has been assigned to Slate River Resources, LLC. We request a change of Operator from Crescendo Energy, LLC to Slate River Resources, LLC on the wells listed on the attached schedule, including a change of Operator of the San Arroyo Unit Area effective November 1, 2005.

The Bond numbers for Slate River Resources, LLC are:

State of Utah DOGM Bond B001556 \$120,000

State of Utah Bond of Lessee B001760 \$ 15,000 being transferred from Crescendo to Slate River Resources, LLC

Federal Utah Statewide Bond UTB000187 \$ 25,000 being transferred from Crescendo to Slate River Resources, LLC

Crescendo Energy, LLC

*N1365*

*Carter G. Mathies*

Carter G. Mathies, President

NAME (PLEASE PRINT) Gary D. Davis

TITLE President, Slate River Resources, LLC

SIGNATURE

*[Signature]*

DATE 11/10/2005

(This space for State use only)

APPROVED *11/29/05*

*Earlene Russell*

Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

NOV 16 2005

DIV. OF OIL, GAS & MINING



| API Well Number   | Operator             | Well Name                   | Well Type | Well Status                          | Field Name      | County Name | Q/U/Qtr | Section | Township-Range |              | FNL  |
|-------------------|----------------------|-----------------------------|-----------|--------------------------------------|-----------------|-------------|---------|---------|----------------|--------------|------|
| 43-019-30570-00-0 | CRESCENDO ENERGY LLC | ARCO 27-1                   | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NWSW    | 27      | 16S-25E        | U-29645      | 1700 |
| 43-019-31162-00-0 | CRESCENDO ENERGY LLC | ARCO STATE 36-7             | Gas Well  | Producing                            | EAST CANYON     | GRAND       | SWSE    | 36      | 15.5S-24E      | ML-22208     | 852  |
| 43-019-31192-00-0 | CRESCENDO ENERGY LLC | ARCO STATE 36-8             | Gas Well  | Producing                            | EAST CANYON     | GRAND       | SWSW    | 36      | 15.5S-24E      | ML-22208     | 1285 |
| 43-019-30240-00-0 | CRESCENDO ENERGY LLC | ARCO-STATE 2-1              | Gas Well  | Producing                            | EAST CANYON     | GRAND       | NESE    | 2       | 16S-24E        | ML-22208     | 2420 |
| 43-019-30241-00-0 | CRESCENDO ENERGY LLC | ARCO-STATE 2-2              | Gas Well  | Shut-In                              | EAST CANYON     | GRAND       | NWNW    | 2       | 16S-24E        | ML-22208     | 1425 |
| 43-019-30047-00-0 | CRESCENDO ENERGY LLC | BITTER CREEK 1              | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SWSE    | 2       | 16S-25E        | ML-25151     | 1080 |
| 43-047-30765-00-0 | CRESCENDO ENERGY LLC | BLACK HORSE CANYON FED 31-1 | Gas Well  | Producing                            | BLACK HORSE CYN | UINTAH      | NWSW    | 31      | 15S-24E        | U-14234      | 2030 |
| 43-019-15884-00-0 | CRESCENDO ENERGY LLC | FEDERAL 174 1               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SESW    | 11      | 16S-25E        | U-126528     | 1940 |
| 43-019-31432-00-0 | CRESCENDO ENERGY LLC | FEDERAL 27-2                | Gas Well  | Approved permit (APD); not yet spudd | SAN ARROYO      | GRAND       | SESE    | 27      | 16S-25E        | U-29645      | 1110 |
| 43-019-31318-00-0 | CRESCENDO ENERGY LLC | FEDERAL 47                  | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NWNE    | 31      | 16S-26E        | U-6023       | 990  |
| 43-019-31410-00-0 | CRESCENDO ENERGY LLC | FEDERAL 6-1                 | Gas Well  | Approved permit (APD); not yet spudd | SAN ARROYO      | GRAND       | SWNW    | 6       | 16S-25E        | U-9831       | 1760 |
| 43-019-11089-00-0 | CRESCENDO ENERGY LLC | FEDERAL GILBERT 1           | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SWNE    | 11      | 16S-25E        | U-126528     | 1140 |
| 43-019-16532-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 01               | Gas Well  | Shut-In                              | SAN ARROYO      | GRAND       | SENW    | 26      | 16S-25E        | USL-71307    | 1320 |
| 43-019-15885-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 02               | Gas Well  | Shut-In                              | SAN ARROYO      | GRAND       | SENW    | 22      | 16S-25E        | U-370-A      | 1250 |
| 43-019-15886-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 03               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SENW    | 23      | 16S-25E        | U-369        | 660  |
| 43-019-15887-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 04               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SESW    | 30      | 16S-26E        | U-6023       | 820  |
| 43-019-15888-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 05               | Gas Well  | Shut-In                              | SAN ARROYO      | GRAND       | NWSE    | 25      | 16S-25E        | U-369        | 1360 |
| 43-019-15889-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 06               | Gas Well  | Shut-In                              | SAN ARROYO      | GRAND       | SWNE    | 21      | 16S-25E        | U-136529     | 2060 |
| 43-019-15890-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 08               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SWSW    | 16      | 16S-25E        | ML-4113      | 1210 |
| 43-019-15891-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 09               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NWNE    | 27      | 16S-25E        | U-370-A      | 2450 |
| 43-019-15892-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 11               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NESW    | 15      | 16S-25E        | U-5059-C     | 1520 |
| 43-019-15893-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 12               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SWSW    | 23      | 16S-25E        | USL-71307    | 660  |
| 43-019-15894-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 13               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | C-SW    | 22      | 16S-25E        | U-370-A      | 1990 |
| 43-019-15896-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 16               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SESW    | 26      | 16S-25E        | U-369        | 660  |
| 43-019-15897-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 17               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SESW    | 26      | 16S-25E        | U-369        | 1990 |
| 43-019-15898-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 18               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NENE    | 24      | 16S-25E        | U-25243      | 660  |
| 43-019-15899-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 19               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NWNW    | 30      | 16S-26E        | U-6023       | 1300 |
| 43-019-15900-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 20               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SWSE    | 14      | 16S-25E        | U-5011-B     | 2600 |
| 43-019-15901-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 21               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SENE    | 26      | 16S-25E        | USL-71307    | 1710 |
| 43-019-15902-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 22               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NWSE    | 25      | 16S-25E        | U-369        | 395  |
| 43-019-15903-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 24               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NENE    | 15      | 16S-25E        | U-5011-A     | 2190 |
| 43-019-15904-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 25               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SENW    | 19      | 16S-26E        | U-6188       | 769  |
| 43-019-15905-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 26               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SWNE    | 21      | 16S-25E        | U-136529     | 1110 |
| 43-019-15906-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 27               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SWSW    | 20      | 16S-26E        | U-25297      | 870  |
| 43-019-15907-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 28               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NESW    | 29      | 16S-26E        | U-6021       | 870  |
| 43-019-15908-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 29               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NWNE    | 29      | 16S-26E        | U-5650       | 634  |
| 43-019-15909-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 30               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NENE    | 22      | 16S-25E        | U-370-A      | 540  |
| 43-019-30527-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 31               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NWSW    | 21      | 16S-26E        | U-5650       | 945  |
| 43-019-30528-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 32               | Gas Well  | Shut-In                              | SAN ARROYO      | GRAND       | NWNW    | 22      | 16S-25E        | U-370-A      | 739  |
| 43-019-30608-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 33               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SWSW    | 14      | 16S-25E        | U-5011-B     | 1305 |
| 43-019-11090-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 35               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SWSW    | 25      | 16S-25E        | U-369        | 1977 |
| 43-019-31251-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 36-A             | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SESW    | 24      | 16S-25E        | U-369        | 1875 |
| 43-019-31252-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 37               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SESE    | 19      | 16S-26E        | U-6188       | 304  |
| 43-019-31253-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 38               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SWNE    | 20      | 16S-26E        | U-5650       | 2025 |
| 43-019-31250-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 40               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SWNE    | 16      | 16S-25E        | ML-4113      | 1395 |
| 43-019-31289-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 41               | Gas Well  | Shut-In                              | SAN ARROYO      | GRAND       | NWNE    | 27      | 16S-25E        | U-370-A      | 1482 |
| 43-019-31290-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 42               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NWNE    | 27      | 16S-25E        | U-370-A      | 1482 |
| 43-019-31291-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 43               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NENE    | 36      | 16S-25E        | Not CE Lease | 1342 |
| 43-019-31291-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 43               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NESE    | 30      | 16S-26E        | U-6023       | 1300 |
| 43-019-31301-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 44               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NESE    | 29      | 16S-26E        | U-6021       | 600  |
| 43-019-31299-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 45               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | SENE    | 30      | 16S-26E        | U-6023       | 0    |
| 43-019-31299-00-0 | CRESCENDO ENERGY LLC | SAN ARROYO 45               | Gas Well  | Producing                            | SAN ARROYO      | GRAND       | NWSE    | 20      | 16S-26E        | U-5650       | 0    |

**UTAH SCHEDULE OF WELLS  
SLATE RIVER RESOURCES, LLC, OPERATOR**

[illegible]

# OPERATOR CHANGE WORKSHEET

## ROUTING

|        |
|--------|
| 1. DJJ |
| 2. CDW |

Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

☒ Merger

The operator of the well(s) listed below has changed, effective:

11/1/2005

| FROM: (Old Operator):  | TO: (New Operator):  |
|--|--|
| N1365-Crescendo Energy, LLC<br>1600 Broadway, Suite 900<br>Denver, CO 80202<br>Phone: 1-(303) 592-4448 | N2725-Slate River Resources, LLC<br>418 Main St, Suite 18<br>Vernal, UT 84078<br>Phone: 1-(435) 781-1870 |

CA No.

Unit:

SAN ARROYO

## WELL(S)

| NAME              | SEC | TWN  | RNG  | API NO     | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|-------------------|-----|------|------|------------|-----------|------------|-----------|-------------|
| SAN ARROYO 32     | 14  | 160S | 250E | 4301930528 | 500       | Federal    | GW        | P           |
| SAN ARROYO U 38   | 16  | 160S | 250E | 4301931253 | 500       | State      | GW        | P           |
| SAN ARROYO 29     | 22  | 160S | 250E | 4301915908 | 500       | Federal    | GW        | P           |
| SAN ARROYO 31     | 22  | 160S | 250E | 4301930527 | 500       | Federal    | GW        | S           |
| SAN ARROYO 33     | 25  | 160S | 250E | 4301930608 | 500       | Federal    | GW        | P           |
| SAN ARROYO 1      | 26  | 160S | 250E | 4301916532 | 505       | Federal    | GW        | S           |
| SAN ARROYO U 40   | 27  | 160S | 250E | 4301931250 | 505       | Federal    | GW        | S           |
| SAN ARROYO U 41   | 36  | 160S | 250E | 4301931289 | 500       | State      | GW        | P           |
| SAN ARROYO U 36-A | 19  | 160S | 260E | 4301931251 | 500       | Federal    | GW        | P           |
| SAN ARROYO 26     | 20  | 160S | 260E | 4301915905 | 500       | Federal    | GW        | P           |
| SAN ARROYO U 37   | 20  | 160S | 260E | 4301931252 | 500       | Federal    | GW        | P           |
| SAN ARROYO 45     | 20  | 160S | 260E | 4301931299 | 500       | Federal    | GW        | P           |
| SAN ARROYO 30     | 21  | 160S | 260E | 4301915909 | 500       | Federal    | GW        | P           |
| SAN ARROYO 27     | 29  | 160S | 260E | 4301915906 | 500       | Federal    | GW        | P           |
| SAN ARROYO 28     | 29  | 160S | 260E | 4301915907 | 500       | Federal    | GW        | P           |
| SAN ARROYO U 43   | 29  | 160S | 260E | 4301931291 | 500       | Federal    | GW        | P           |
| SAN ARROYO 49     | 29  | 160S | 260E | 4301931316 | 500       | Federal    | GW        | P           |
| SAN ARROYO U 42   | 30  | 160S | 260E | 4301931290 | 500       | Federal    | GW        | P           |
| SAN ARROYO 44     | 30  | 160S | 260E | 4301931301 | 500       | Federal    | GW        | P           |
| FEDERAL 47        | 31  | 160S | 260E | 4301931318 | 500       | Federal    | GW        | P           |

## OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 11/16/2005
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 11/16/2005
- The new company was checked on the Department of Commerce, Division of Corporations Database on: 11/23/2005
- Is the new operator registered in the State of Utah: YES Business Number: 5830411-0161
- If NO, the operator was contacted on: requested 11/23/05
- 6a. (R649-9-2) Waste Management Plan has been received on: requested 11/23/05
- 6b. Inspections of LA PA state/fee well sites complete on: n/a
- 6c. Reports current for Production/Disposition & Sundries on: requested 11/23/05

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: \_\_\_\_\_ not yet

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: \_\_\_\_\_ n/a

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: \_\_\_\_\_ n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: \_\_\_\_\_ n/a

**DATA ENTRY:**

1. Changes entered in the Oil and Gas Database on: \_\_\_\_\_ 11/29/2005
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: \_\_\_\_\_ 11/29/2005
3. Bond information entered in RBDMS on: \_\_\_\_\_ 11/29/2005
4. Fee/State wells attached to bond in RBDMS on: \_\_\_\_\_ 11/29/2005
5. Injection Projects to new operator in RBDMS on: \_\_\_\_\_ n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: \_\_\_\_\_ 11/29/2005

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: \_\_\_\_\_ UTB000187

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: \_\_\_\_\_ n/a

**FEE & STATE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number \_\_\_\_\_ B001556
2. The FORMER operator has requested a release of liability from their bond on: \_\_\_\_\_ 11/25/2005  
The Division sent response by letter on: \_\_\_\_\_ n/a

**LEASE INTEREST OWNER NOTIFICATION:**

3. (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: \_\_\_\_\_ n/a

**COMMENTS:**



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, UT 84145-0155

<http://www.blm.gov>



4301931250  
165 25E 27


IN REPLY REFER TO:  
3106  
(UT-922)

December 5, 2005

Memorandum

To: Moab Field Office  
From: Acting Chief, Branch of Fluid Minerals  
Subject: Merger Approval

Attached is an approved copy of the merger recognized by the state of Delaware. We have updated our records to reflect the merger from Crescendo Energy LLC into Slate River Resources LLC. The merger was approved effective October 31, 2005.

  
for David H. Murphy  
Acting Chief, Branch of  
Fluid Minerals

Enclosure  
Articles of Organization (4 pp)

cc: MMS, Reference Data Branch, James Sykes, PO Box 25165, Denver CO 80225  
State of Utah, DOGM, Attn: Earlene Russell, PO Box 145801, SLC UT 84114  
Teresa Thompson  
Joe Incardine  
Connie Seare  
Dave Mascarenas  
Susan Bauman

RECEIVED

DEC 08 2005

DIV. OF OIL, GAS & MINING

EP

\*\*\*\*\*

LLE: Judy Nordstrom

MEMO WRITTEN: December 5, 2005

**Name of Company:**

**OLD**

**Crescendo Energy LLC**  
418 E. Main Street  
Suite 18  
Vernal Utah 84078

**NEW NID**

**Slate River Resources LLC**  
1600 Broadway  
Suite 900  
Denver CO 80202

\*\*\*\*\*

\_\_\_\_\_  
(DATE) (940) NAME CHANGE RECOGNIZED

October 31, 2005  
(DATE) (817) CORPORATE MERGER RECOGNIZED

\*\*\*\*\*

UTSL-071307

UTU-0369  
UTU-0370A  
UTU-05011A  
UTU-05011B  
UTU-05059A  
UTU-05059C  
UTU-05059F  
UTU-05650  
UTU-05650A  
UTU-06021  
UTU-06023  
UTU-06188  
UTU-06188B  
UTU-025243  
UTU-025245  
UTU-025243A  
UTU-025297  
UTU-0126528  
UTU-0136529  
UTU-0141420  
UTU-9831  
UTU-14234  
UTU-29645  
UTU-60818  
UTU-63022A

**CERTIFICATE OF MERGER**  
of  
**CRESCENDO ENERGY, LLC**  
into  
**SLATE RIVER RESOURCES, LLC**

This **CERTIFICATE OF MERGER**, dated and effective as of October 31, 2005, has been duly authorized and is filed pursuant to Section 18-209 of the Delaware Limited Liability Company Act (the "Act").

1. The name and jurisdiction of formation or organization of the constituent entities of the merger effectuated hereby are:

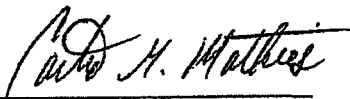
| <u>Name</u>                | <u>Jurisdiction of Organization</u> |
|----------------------------|-------------------------------------|
| Slate River Resources, LLC | Delaware                            |
| Crescendo Energy, LLC      | Delaware                            |

2. An Agreement and Plan of Merger (the "Merger Agreement") has been duly authorized, approved and executed by each of the limited liability companies to merge pursuant hereto.
3. Slate River Resources, LLC shall be the surviving entity and shall maintain its present name.
4. There are no amendments to the certificate of formation of Slate River Resources, LLC resulting from or incidental to the merger.
5. The merger effected hereby shall be effective upon the filing of this Certificate of Merger in the office of the Secretary of State of the State of Delaware.
6. The Merger Agreement is on file in the principal business office of the surviving entity, Slate River Resources, LLC, which is located at 1600 Broadway, Suite 900, Denver, Colorado 80202.
7. The Merger Agreement will be furnished by Slate River Resources, LLC, or its authorized representative, free of cost, to any member of, or any person holding an interest in, any entity to be merged pursuant hereto.

IN WITNESS WHEREOF, Slate River Resources, LLC, the surviving entity, has caused this Certificate of Merger to be executed by an authorized officer as of the date first written above.

**SLATE RIVER RESOURCES, LLC**

By:

  
Carter G. Mathies  
Chief Executive Officer

**SLATE RIVER HOLDINGS, LLC  
UNANIMOUS WRITTEN CONSENT OF  
THE BOARD OF DIRECTORS  
IN LIEU OF A SPECIAL MEETING**

The undersigned, being all of the Members of the Board of Directors of Slate River Holdings, LLC, a Delaware limited liability company (the "Company"), hereby adopt, by unanimous written consent, in accordance with the Delaware Limited Liability Company Act, the following resolutions with the same force and effect as if they had been adopted at a duly convened meeting of the Board:

**WHEREAS**, the Company previously acquired all of the outstanding equity and ownership interests in Crescendo Resources, LLC ("Crescendo Resources"); and

**WHEREAS**, thereafter, the Company consolidated all of the wholly-owned subsidiaries of Crescendo Resources, namely, Crescendo Energy, LLC ("Crescendo Energy") and Entrada Energy Ventures, LLC ("Entrada") (collectively, Crescendo Resources, Crescendo Energy and Entrada are referred to herein as the ("Crescendo Entities") into Crescendo Energy; and

**WHEREAS**, the material assets and operations of all of the Crescendo Entities are held by Crescendo Energy; and

**WHEREAS**, Slate River Resources, LLC ("Slate River Resources"), a wholly-owned subsidiary of the Company, is intended to be the operating entity for all of the Company's business activities; and

**WHEREAS**, the Company has determined that it is in the Company's best interest to operate all of its business activities as a single entity and therefore to merge Crescendo Energy into Slate River Resources, with Slate River Resources being the surviving entity.

**NOW, THEREFORE, BE IT:**

**RESOLVED**, that the Company hereby is authorized to direct its legal counsel to effectuate the merger of the Crescendo Energy into Slate River Resources, with Slate River Resources as the surviving entity, to be effective on October 31, 2005; and be it further

**RESOLVED**, that the Company, and any Authorized Officer (as defined below) on behalf of the Company, hereby is authorized to undertake and perform all other acts, transactions or agreements that are necessary, appropriate, desirable or contemplated by the foregoing Resolutions; and be it further

**RESOLVED**, that all of the acts, transactions, or agreements taken in connection with the foregoing Resolutions hereby are ratified and approved in all respects, and the chief executive officer, chief operating officer, chief financial officer, president, vice president and secretary of the Company, as applicable, (collectively, the "*Authorized Officers*" and each individually, an "*Authorized Officer*") hereby are severally authorized and directed, in the name and on behalf of the Company to negotiate, execute and deliver such instruments, documents, agreements and writings of every kind and character, together with such changes, modifications, additions and deletions as to any or all of the terms and provisions thereof as the Authorized Officer executing such instruments, documents, agreements and

UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS  
IN LIEU OF A SPECIAL MEETING  
(SLATE RIVER HOLDINGS, LLC)



writings shall deem proper (such execution by such Authorized Officer to be conclusive evidence that such Authorized Officer deems all of the terms and provisions thereof to be proper), and to make such attestations to any signatures of officers of the Company, and to do and perform or cause to be done and performed all such other acts as each Authorized Officer shall from time to time deem necessary, advisable or appropriate in order to consummate the acts, transactions, or agreements contemplated by or described in the foregoing Resolutions; and be it further

**RESOLVED**, that the Authorized Officers hereby are severally authorized to execute on behalf of the Company from time to time, amendments or supplements to any of the documents related to or contemplated by the foregoing Resolutions as the Authorized Officer or Authorized Officers executing and delivering the same may in his, her, or their sole and absolute discretion deem appropriate to carry out the purpose and intent of the foregoing Resolutions (such execution by such Authorized Officer or Authorized Officers to be conclusive evidence that such Authorized Officer or Authorized Officers deems all of the terms and provisions thereof to be proper); and be it further

**RESOLVED**, that all acts, transactions, or agreements undertaken prior to the adoption of these Resolutions by any of the officers or representatives of the Company in connection with the foregoing matters hereby are ratified, confirmed and adopted by the Board; and be it further

**RESOLVED**, that any Authorized Officer hereby is authorized and directed to certify these Resolutions; and be it further

**RESOLVED**, that the Authorized Officers (together with such other officers and employees of the Company under their supervision as any of them shall direct) hereby are severally authorized and directed in the name and on behalf of the Company to do or cause to be done any and all further acts and things that they may from time to time deem necessary, advisable or appropriate to carry out the purpose and intent of the foregoing Resolutions.

[Remainder of Page Intentionally Left Blank]

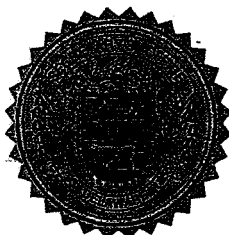
# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "SLATE RIVER RESOURCES, LLC", FILED IN THIS OFFICE ON THE TWENTY-EIGHTH DAY OF JANUARY, A.D. 2005, AT 9:34 O'CLOCK P.M.

PLM-UT-950  
2006 NOV -7 AM 9:50



3919255 8100

050074460

*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 3651875

DATE: 01-31-05

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OM B No. 1004-0137  
Expires: March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
**Slate River Resources, LLC**

3a. Address  
**418 E. Main Ste 18, Vernal, UT 84078**

3b. Phone No. (include area code)  
**435-781-1870**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**NWNE S27-T16S-R25E  
739' FNL 1443' FEL**

5. Lease Serial No.  
**UTU-025297**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
**San Arroyo Unit**

8. Well Name and No.  
**San Arroyo Unit #40**

9. API Well No.  
**43-019-31250**

10. Field and Pool, or Exploratory Area  
**San Arroyo**

11. County or Parish, State  
**Grand County, UT**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

| TYPE OF SUBMISSION                                    | TYPE OF ACTION                                    |   |   |   |
|---|---|---|---|---|
| <input checked="" type="checkbox"/> Notice of Intent  | <input type="checkbox"/> Acidize                  | <input type="checkbox"/> Deepen           | <input checked="" type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing             | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation                          | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice     | <input checked="" type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                           | <input type="checkbox"/> Other          |
|   | <input type="checkbox"/> Change Plans             | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon                  |   |
|   | <input type="checkbox"/> Convert to Injection     | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal                       |   |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**Slate River Resources proposes the following and requests approval to proceed.**

**MIRU to repair the casing and return this well to production. During routine tubing work, it was discovered that the casing was damaged and possibly parted. The procedure to repair the well is as follows:**

- 1. Spear and unland the casing from from the wellhead. POOH and LD casing.**
- 2. RIH w/ NEW 4½", M-80, 11.6ppf casing with packoff type overshot and latch onto old casing stub**
- 3. Run a casing inspection log and determine the casing condition below the overshot. Replace bad casing as necessary.**
- 4. Cleanout tubing and top packer to the permanent packer @ 6210'**
- 5. RIH w/ 2-3/8" tubing and swab the Entrada perms and test**
- 6. Return well to production from the Entrada perms 6142'-67', 6168'-90' and 6330'-6337'**

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

**J. T. Conley**

Title **Operations**

Signature

Date

**06/07/2007**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**RECEIVED**

**JUN 11 2007**

**DIV. OF OIL, GAS & MINING**

**Division of Oil, Gas and Mining**  
**OPERATOR CHANGE WORKSHEET**

| ROUTING |  |
|---------|--|
| 1. DJJ  |  |
| 2. CDW  |  |

**X - Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

**5/15/2008**

|   |  |
|---|--|
| <b>FROM: (Old Operator):</b><br>N2725-Slate River Resources, LLC<br>1600 Broadway, Suite 900<br>Denver, CO 80202<br><br>Phone: 1 (303) 592-4448 | <b>TO: (New Operator):</b><br>N3505-Augustus Energy Partners, LLC<br>2016 Grand Ave, Suite A<br>Billings MT 59012<br><br>Phone: 1 (406) 294-5990 |
|---|--|

| CA No.            |  |  |             | Unit: |        |           |            |           |             |
|-------------------|--|--|-------------|-------|--------|-----------|------------|-----------|-------------|
| WELL NAME         |  |  | SEC TWN RNG |       | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
| SEE ATTACHED LIST |  |  |             |       |        |           |            |           |             |

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/23/2008
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/23/2008
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 6/4/2008
- a. Is the new operator registered in the State of Utah: Business Number: 7012268-0161
- b. If **NO**, the operator was contacted on: \_\_\_\_\_
- a. (R649-9-2) Waste Management Plan has been received on: IN PLACE
- b. Inspections of LA PA state/fee well sites complete on: In Process
- c. Reports current for Production/Disposition & Sundries on: OK
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 5/29/2008
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/29/2008
- Bond information entered in RBDMS on: 5/29/2008
- Fee/State wells attached to bond in RBDMS on: 5/29/2008
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: \_\_\_\_\_

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: UTB00317
- Indian well(s) covered by Bond Number: n/a
- a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0011628
- b. The **FORMER** operator has requested a release of liability from their bond on: not yet  
The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

**COMMENTS:**

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

|   |  |   |
|---|--|---|
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>See Attached list                  |
| 2. NAME OF OPERATOR:<br>Augustus Energy Partners, LLC <i>N3505</i>  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:   |
| 3. ADDRESS OF OPERATOR:<br>2016 Grand Avenue. Ste A <i>CITY</i> Billings <i>STATE</i> MT <i>ZIP</i> 59012     |  | 7. UNIT or CA AGREEMENT NAME:   |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: _____<br>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____       |  | 8. WELL NAME and NUMBER:<br>9. API NUMBER:<br>10. FIELD AND POOL, OR WILDCAT: |
|   |  | COUNTY:<br>STATE: <b>UTAH</b>   |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  |   |   |  |
|--|---|---|--|
| TYPE OF SUBMISSION   | TYPE OF ACTION  |   |  |
| <input type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br>Approximate date work will start: _____          | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION               |
|  | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> FRACTURE TREAT                   | <input type="checkbox"/> SIDETRACK TO REPAIR WELL                    |
|  | <input type="checkbox"/> CASING REPAIR                  | <input type="checkbox"/> NEW CONSTRUCTION                 | <input type="checkbox"/> TEMPORARILY ABANDON                         |
|  | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS       | <input type="checkbox"/> OPERATOR CHANGE                  | <input type="checkbox"/> TUBING REPAIR                               |
|  | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE                               |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                              |
|  | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                              |
|  | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input checked="" type="checkbox"/> OTHER: <u>Change of Operator</u> |
|  | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |  |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective 12:01 a.m. May 15, 2008 the Operator of this well will change from:

Slate River Resources, LLC *N2725*  
1600 Broadway, Suite 900  
Denver, CO 80202  
303-592-4448

TO: Augustus Energy Partners, LLC  
2016 Grand Avenue, Suite A  
Billings, MT 59102

BLM Bond # UTB00317 effective 5/13/08

*STATE BOND = RLB 0011638*

Seller: Slate River Resources LLC  
Gary D. Davis, President/CEO

Signature: *[Signature]*

|  |                        |
|--|------------------------|
| NAME (PLEASE PRINT) <u>Steven D. Durrett</u> | TITLE <u>President</u> |
| SIGNATURE <i>[Signature]</i>                 | DATE <u>5/15/2008</u>  |

(This space for State use only)

APPROVED *5159108*  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

MAY 23 2008

DIV. OF OIL, GAS & MINING

| API Well Number | Well Name                   | Qtr/Qtr | Section | Township-Range |
|-----------------|-----------------------------|---------|---------|----------------|
| 43-019-11089    | FEDERAL GILBERT 1           | SWNE    | 11      | 16S-25E        |
| 43-019-11090    | SAN ARROYO U 35             | SESW    | 24      | 16S-25E        |
| 43-019-15884    | FEDERAL 174 1               | SESW    | 11      | 16S-25E        |
| 43-019-15885    | SAN ARROYO 2                | SENW    | 22      | 16S-25E        |
| 43-019-15886    | SAN ARROYO 3                | SENW    | 23      | 16S-25E        |
| 43-019-15887    | SAN ARROYO 4                | SESW    | 30      | 16S-26E        |
| 43-019-15888    | SAN ARROYO 5                | NWSE    | 25      | 16S-25E        |
| 43-019-15889    | SAN ARROYO 6                | SWNE    | 21      | 16S-25E        |
| 43-019-15890    | SAN ARROYO 8                | SWSW    | 16      | 16S-25E        |
| 43-019-15891    | SAN ARROYO 9                | NWNE    | 27      | 16S-25E        |
| 43-019-15892    | SAN ARROYO 11               | NESW    | 15      | 16S-25E        |
| 43-019-15893    | SAN ARROYO 12               | SWSW    | 23      | 16S-25E        |
| 43-019-15894    | SAN ARROYO 13               | C-SW    | 22      | 16S-25E        |
| 43-019-15896    | SAN ARROYO 16               | SESW    | 26      | 16S-25E        |
| 43-019-15897    | SAN ARROYO 17               | NENE    | 24      | 16S-25E        |
| 43-019-15898    | SAN ARROYO 18               | NWNW    | 30      | 16S-26E        |
| 43-019-15899    | SAN ARROYO 19               | SWSE    | 14      | 16S-25E        |
| 43-019-15900    | SAN ARROYO 20               | SENE    | 26      | 16S-25E        |
| 43-019-15901    | SAN ARROYO 21               | NWSE    | 25      | 16S-25E        |
| 43-019-15902    | SAN ARROYO 22               | NENE    | 15      | 16S-25E        |
| 43-019-15903    | SAN ARROYO 24               | SENW    | 19      | 16S-26E        |
| 43-019-15904    | SAN ARROYO 25               | SWNE    | 21      | 16S-25E        |
| 43-019-15905    | SAN ARROYO 26               | SWSW    | 20      | 16S-26E        |
| 43-019-15906    | SAN ARROYO 27               | NESW    | 29      | 16S-26E        |
| 43-019-15907    | SAN ARROYO 28               | NWNE    | 29      | 16S-26E        |
| 43-019-15908    | SAN ARROYO 29               | NENE    | 22      | 16S-25E        |
| 43-019-15909    | SAN ARROYO 30               | NWSW    | 21      | 16S-26E        |
| 43-019-16532    | SAN ARROYO 1                | SENW    | 26      | 16S-25E        |
| 43-019-30047    | BITTER CREEK 1              | SWSE    | 2       | 16S-25E        |
| 43-019-30240    | ARCO-STATE 2-1              | NESE    | 2       | 16S-24E        |
| 43-019-30241    | ARCO-STATE 2-2              | NWNW    | 2       | 16S-24E        |
| 43-019-30527    | SAN ARROYO 31               | NWNW    | 22      | 16S-25E        |
| 43-019-30528    | SAN ARROYO 32               | SWSW    | 14      | 16S-25E        |
| 43-019-30570    | ARCO 27-1                   | NWSW    | 27      | 16S-25E        |
| 43-019-30608    | SAN ARROYO 33               | SWSW    | 25      | 16S-25E        |
| 43-019-31162    | ARCO STATE 36-7             | SWSE    | 36      | 15.5S-24E      |
| 43-019-31192    | ARCO STATE 36-8             | SWSW    | 36      | 15.5S-24E      |
| 43-019-31250    | SAN ARROYO U 40             | NWNE    | 27      | 16S-25E        |
| 43-019-31251    | SAN ARROYO U 36-A           | SESE    | 19      | 16S-26E        |
| 43-019-31252    | SAN ARROYO U 37             | SWNE    | 20      | 16S-26E        |
| 43-019-31253    | SAN ARROYO U 38             | SWNE    | 16      | 16S-25E        |
| 43-019-31289    | SAN ARROYO U 41             | NENE    | 36      | 16S-25E        |
| 43-019-31290    | SAN ARROYO U 42             | NESE    | 30      | 16S-26E        |
| 43-019-31291    | SAN ARROYO U 43             | NESE    | 29      | 16S-26E        |
| 43-019-31299    | SAN ARROYO 45               | NWSE    | 20      | 16S-26E        |
| 43-019-31301    | SAN ARROYO 44               | SENE    | 30      | 16S-26E        |
| 43-019-31316    | SAN ARROYO 49               | NENW    | 29      | 16S-26E        |
| 43-019-31318    | FEDERAL 47                  | NWNE    | 31      | 16S-26E        |
| 43-047-30765    | BLACK HORSE CANYON FED 31-1 | NWSW    | 31      | 15S-24E        |

RECEIVED

MAY 23 2008

DIV. OF OIL, GAS & MINING



September 4, 2013

State of Utah Department of Natural Resources  
Division of Oil, Gas, and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

RECEIVED

SEP 10 2013

DIV. OF OIL, GAS & MINING

Re: Lack of Production

**San Arroyo Unit No. 40**

API# 43-019-31250

Lease UTU0370A

Sec 27, T16S, R25E

Federal No. 5

API# 43-019-15888

Lease UTU0369

Sec 25, T16S, R25E

Federal No. 6

API# 43-019-15889

Lease UTU0136529

Sec 21, T16S, R25E

Dear Sir or Madam:

Augustus Energy Partners, LLC acquired the San Arroyo wells from Slate River Resources in May of 2008 and the acquired records show that the San Arroyo #40 well was plugged and abandoned by Slate River in July of 2007. Our file search did not find where the necessary follow up sundry reports were filed with the BLM, or the State so we are including the morning reports and Halliburton Cementing Records along with a Sundry Notice of Abandonment.

Also enclosed are proposed plugging and abandonment procedures for the San Arroyo #5 and San Arroyo #6 wells. Please approve the plugging procedures and we will schedule to have the wells plugged this fall.

If you have questions or comments, please contact me at the letterhead address and phone number, or by email at [dzimmerman@augustusenergy.com](mailto:dzimmerman@augustusenergy.com).

Regards,

Duane Zimmerman

Vice President of Operations

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

|   |  |   |
|---|--|---|
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>UTU0370A |
| 2. NAME OF OPERATOR:<br>AUGUSTUS ENERGY PARTNERS LLC  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:<br>SAN ARROYO |
| 3. ADDRESS OF OPERATOR:<br>2016 GRAND AVE, STE A CITY BILLINGS STATE MT ZIP 59102                             |  | 7. UNIT or CA AGREEMENT NAME:<br>SAN ARROYO         |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: 739' FNL 1443' FEL  |  | 8. WELL NAME and NUMBER:<br>SAN ARROYO 40           |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 27 16S 25E 6  |  | 9. API NUMBER:<br>4301931250                        |
| COUNTY: GRAND   |  | 10. FIELD AND POOL, OR WILDCAT:<br>SAN ARROYO       |
| STATE: UTAH   |  |   |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA   |   |   |  |
|---|---|---|--|
| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |  |
| <input type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____          | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
|   | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> FRACTURE TREAT                   | <input type="checkbox"/> SIDETRACK TO REPAIR WELL      |
|   | <input type="checkbox"/> CASING REPAIR                  | <input type="checkbox"/> NEW CONSTRUCTION                 | <input type="checkbox"/> TEMPORARILY ABANDON           |
|   | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS       | <input type="checkbox"/> OPERATOR CHANGE                  | <input type="checkbox"/> TUBING REPAIR                 |
|   | <input type="checkbox"/> CHANGE TUBING                  | <input checked="" type="checkbox"/> PLUG AND ABANDON      | <input type="checkbox"/> VENT OR FLARE                 |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br>_____ | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                |
|   | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input type="checkbox"/> OTHER: _____                  |
|   | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |  |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

SLATE RIVER RESOURCES PLUGGED AND ABANDONED THE ABOVE WELL JULY 5, 2007.

7/2 AND 7/3/07, 75 SKS "G" CEMENT WAS PUMPED TO PLACE PLUG OVER TOP OF CEMENT AT 1528'. CEMENT TAGGED ON 7/3/07 PER BLM REQUEST. 7/3/07 4 1/2" CASING WAS JET CUT AT 409'-400'. CASING WAS FREE POINTED, CASING WAS STUCK AT 385'. CASING WAS CHEMICALLY CUT AT 375' ON 7/4/07. CUT AND 9 JTS PLUS 4' WAS REMOVED, CEMENT PLUG WAS SET IN AND OVER 4 1/2" CASING AND SURFACE SHOE FROM 432' TO 298' USING 83 SKS "G" CEMENT W/2% CAL. CEMENT WAS TAGGED ON 7/5/07 USING TUBING AS REQUESTED BY THE BLM & SURFACE PLUG WAS SET FROM 63' TO SURFACE USING 55 SKS "G" CEMENT W/2% CAL. USING 2 3/8" TUBING. ALL P&A WORK WAS WITNESSED BY MR JACK JOHNSON OF MOAB BLM FIELD OFFICE.

ATTACHED YOU WILL FIND WELLBORE DIAGRAM, MORNING REPORTS FROM SLATE RIVER AND THE HALLIBURTON PLUGGING JOB SUMMARY.

|                                     |                                 |
|-------------------------------------|---------------------------------|
| NAME (PLEASE PRINT) DUANE ZIMMERMAN | TITLE VICE PRESIDENT OPERATIONS |
| SIGNATURE <i>Duane Zimmerman</i>    | DATE 9/4/2013                   |

(This space for State use only)

Accepted by the  
Utah Division of  
Oil, Gas and Mining  
For Record Only



UIC #: N/A

WBD DATE: 5-Jul-07 BY: TF

LAST PROD: Sep-95

TF CONSULTING INC.  
 DRAINING REPORT FOR SLATE RIVER RESOURCES

REPORT DATE: 7/11/2007

|                         |                               |                     |                    |               |                                 |
|-------------------------|-------------------------------|---------------------|--------------------|---------------|---------------------------------|
| LEASE & WELL:           | SAN ARROYO UNIT # 40          | COMPLETION FOREMAN: | Todd Farley        | RIG NUMBER    | Red Rock # 2                    |
| FIELD/PROSPECT:         | SAN ARROYO                    | COUNTY:             | Grand              | STATE:        | Utah                            |
| DISTRICT:               | Colorado                      | REPORT TAKEN BY     | DW                 | START DATE    | 6/25/2007 DAY # 11              |
| PBTD: 6358'             | LN TOP: N/A                   | PERFS               | 6142'- 6190' gross | FORM: Surface | PROD. CSG SIZE 4 1/2" 11.6 n-80 |
| AFE DESCRIPTION:        | Fishing parted CSG & TBG      |                     |                    | AFE#          | PROD CSG SET @ 6396'            |
| ACTIVITY @ REPORT TIME: | rdmo Red Rock rig & equipment |                     |                    | AFE AMOUNT    |                                 |

| HOURS   |  | ACTIVITY LAST 24 HOURS |  | CODE | ITEM                         | DAILY | CUMULATIVE |
|---|--|------------------------|--|------|------------------------------|-------|------------|
| 6:00 am - 6:00 am   |  |                        |  |      | ROADS & LOCATIONS            |       | 0          |
| Cost Adjustment, Trucking on 400bbl and tank rental 6-23-07 - 7-10-07 |  |                        |  |      | RIG DAY RATE                 |       | 41898      |
| Trucking on Bope return, and moving 110 joints tubing to yard         |  |                        |  |      | MUD & CHEMICALS              |       | 0          |
|   |  |                        |  |      | CEMENT & SERVICES            |       | 0          |
|   |  |                        |  |      | ELECTRIC LOGGING (CASED)     |       | 19556      |
|   |  |                        |  |      | DISPOSAL                     |       | 0          |
|   |  |                        |  |      | BITS                         |       | 0          |
|   |  |                        |  |      | FILTERING                    |       | 0          |
|   |  |                        |  |      | WATER                        |       | 0          |
|   |  |                        |  |      | FUEL                         |       | 0          |
|   |  |                        |  |      | BOP'S                        |       | 5319       |
|   |  |                        |  |      | FRAC TANKS                   | 333   | 693        |
|   |  |                        |  |      | clean up on tank             | 325   | 325        |
|   |  |                        |  |      | PUMPING SERVICES (H.O.T.)    |       | 0          |
|   |  |                        |  |      | TUBING RENTAL                |       | 0          |
|   |  |                        |  |      | EQUIP. RENT (SWIVEL, TOILET) |       | 340        |
|   |  |                        |  |      | FRAC VALVE                   |       | 2340       |
|   |  |                        |  |      | LIGHT TOWER                  |       | 0          |
|   |  |                        |  |      | FLOW MANIFOLD                |       | 0          |
|   |  |                        |  |      | PKRS & PLUGS                 |       | 0          |
|   |  |                        |  |      | TRUCKING                     | 2235  | 1623       |
|   |  |                        |  |      | PERFORATING                  |       | 4475       |
|   |  |                        |  |      | STIMULATION                  |       | 6099       |
|   |  |                        |  |      | MISC LABOR & SERVICES        |       | 0          |
|   |  |                        |  |      | SUPERVISION CONTRACT         |       | 0          |
|   |  |                        |  |      | TF CONSULTING INC,           |       | 9720       |
|   |  |                        |  |      | SLICK LINE WORK              |       | 0          |
|   |  |                        |  |      | FISHING TOOLS & SERVICES     |       | 0          |
|   |  |                        |  |      | TOTAL INTANGIBLES            | 2893  | 8005       |
|   |  |                        |  |      | TOTAL TANGIBLES              | 0     | 117616     |
|   |  |                        |  |      | TOTAL COSTS                  | 2893  | 0          |
|   |  |                        |  |      | CONTINGENCIES (6%)           |       | 117616     |
|   |  |                        |  |      | CUM. DRLG. COST              |       | 0          |
|   |  |                        |  |      | CONSTR. COST                 |       | 0          |
|   |  |                        |  |      | JOB TOTAL                    | 2893  | 91721      |

| TUBING DETAIL |        |       | PERFORATION DETAIL |          |     |       |      |
|---------------|--------|-------|--------------------|----------|-----|-------|------|
| Item          | Length | Depth | Top Shot           | Btm Shot | SPF | Phase | Date |
| KB            | 15.60  | 15.60 |                    |          |     |       |      |
| 0             | 0.00   | 15.60 |                    |          |     |       |      |
| 0             | 0.00   | 15.60 |                    |          |     |       |      |
| PKR           | 0.00   | 15.60 |                    |          |     |       |      |
|               |        |       |                    |          |     |       |      |
|               |        |       |                    |          |     |       |      |
|               |        |       |                    |          |     |       |      |
|               |        |       |                    |          |     |       |      |
|               |        |       |                    |          |     |       |      |
|               |        |       |                    |          |     |       |      |
| EOT @         |        | 15.6  |                    |          |     |       |      |
|               |        |       |                    |          |     |       |      |

| CODE | TANGIBLE ITEMS CHARGED TODAY: (DESCRIBE) | COST |
|------|--|------|
|      | TUBING                                   |      |
|      | WELLHEAD                                 |      |
|      | ARTI. LIFT                               |      |
|      | PKR & DH                                 |      |

OPERATOR: SLATE RIVER RESOURCES  
WELL: SAN ARROYO UNIT #40  
FIELD: SAN ARROYO  
API # 43-019-31250  
LEASE #: UTU-025297  
UIC #: N/A

QNTY: GRAND FTG: 739' FNL 1443' FEL IP GAS: 5.392  
STATE: UTAH Q-Q: NWNE IP OIL: 0  
SPUD: 16-Feb-88 SEC: 27 IP WTR: 0  
COMP: 28-Mar-88 TWS: 16S CUM GAS: 538,142  
STATUS: SIGW RGE: 25E CUM OIL: 430  
WBD DATE: 16-Mar-06 BY: JTC CUM WTR: 4  
LAST PROD: Sep-95

### CURRENT WELLBORE DIAGRAM

KRR: 7774'  
KB: 0'  
GLB: 7265'

TD (ft): 6400'  
PBTD (ft): 6358'

5-4-06  
CASING PARTED  
C 1932'

12-1/4" Hole  
9-5/8" 40.5# Csg @ 367'  
w/ 200 sxs and 300 sxs top job

Top Wasatch @  
Top Mesaverde @  
Top Castlegate @ 1835'  
Top Mancos A @  
Top Emery @  
Top Niobrara @  
Top Dakota Silt @ 5242'  
Top Dakota @ 5394'  
Top Cedar Mt @ 5446'  
Top Morrison @ 5628'  
Top Entrada @ 6148'

Original TOC @ 4740'

5/2/06  
Chemical cut tbg c 6085'  
Left 29 jts in hole  
Est 900'-  
Top of tbg fish c 5203'

OTIS WB PKR @ 6099'  
6100'  
6110'-6111'  
UPPER ENTRADA 6142'-6167'  
UPPER ENTRADA 6168'-6190'  
TUBING PERFS 6188'-6190'  
OTIS WB PKR @ 6210'  
TGB CIBP @ 6222'  
OTIS "RN" SN @ 6222'  
EOT @ 6234'

LOWER ENTRADA 6330'-6337'

PBTD @ 6358'  
4 1/2", 11.6# Csg @ 6396'  
Cmtd w/ 300 sxs RFC  
8 1/2" Hole TD @ 6400'

#### CASING RECORD

| HOLE (in) | SIZE (in) | WT (lb/ft) | GRADE | TOP (ft) | BTM (ft) |         |
|-----------|-----------|------------|-------|----------|----------|---------|
| 12 1/4    | 9 5/8     | 40.5       | USED  | 0        | 367      | 9 lbs   |
| 8 1/2     | 4 1/2     | 11.6       | N-80  | 0        | 6396     | 155 lbs |

Float Collar @ unknown

TUBING RECORD COND: n/a DATE: 23-Jun-92

| SIZE (in) | WT (lb/ft) | GRADE | TOP (ft) | TALLY (ft) | JTS |
|-----------|------------|-------|----------|------------|-----|
| 2 3/8     | 4.7        |       | 0        | 6095.13    | 198 |

| ITEM      | MAKE/MODEL         | SIZE (in) | TALLY (ft) |
|-----------|--------------------|-----------|------------|
| KB        |                    |           | 9.00       |
| TBG       |                    | 2 3/8     | 6095.13    |
| SN        |                    | 2 3/8     | 1.08       |
| SEAL SECT | OTIS SEAL ASSEMBLY |           |            |
| PERM PKR  | OTIS WB PKR        |           | 2.19       |
| SEAL EXT  | SEAL BORE EXT      |           | 7.62       |
| X-OVER    |                    |           | 0.39       |
| TBG       | 3 jts IPC TBG      | 2 3/8     | 99.81      |
| SEAL SECT | OTIS SEAL ASSEMBLY |           |            |
| PERM PKR  | OTIS WB PKR        |           | 2.19       |
| SEAL EXT  | SEAL BORE EXT      |           | 3.54       |
| X-OVER    |                    |           | 0.25       |
| TBG SUB   |                    | 2 3/8     | 6.17       |
| SN        | OTIS "RN" SN       |           | 1.32       |
| TBG SUB   |                    | 2 3/8     | 4.08       |
|           | OTIS PUMP OFF PLUG |           | 1.17       |
| EOT       |                    |           | 6234.14    |

#### PERFORATION RECORD

| ZONE        | TOP (ft) | BTM (ft) | SPF | DATE SHOT | STATUS | STIM |
|-------------|----------|----------|-----|-----------|--------|------|
| UPR ENTRADA | 6142     | 6167     | 1   | Mar-88    | OPEN   | ACID |
| UPR ENTRADA | 6168     | 6190     | 1   | Mar-88    | OPEN   | ACID |
| LWR ENTRADA | 6330     | 6337     | 1   | Mar-88    | OPEN   | NONE |

#### WELLWORK HISTORY

GAS SHOWS - Small flares in the Mancos A and Niobrara zones, no depths reported. Continuous 20' flare in Cedar Mountain @ 5470'-5688'.

#### DRILLING 02-16-1988 to 02-24-1988

Spud 03-16-1988. Drill 12 1/4" hole and run 9 jts 9-5/8" surf casing. Cmt same w/ 200 sxs and 300 sxs to pjbn. Drill 8 1/2" hole to TD @ 6400'. Gas shows and small flares reported in the Mancos A and Niobrara zones, no depths. Cedar Mountain had continuous 20' flare @ 5470'-5688'. Entrada show at 6140' w/ 1100 units gas. Run FDC, CNL, DIL-SFL, NGT logs. Run 155 jts 4 1/2", 11.6#, N-80 casing and cement w/ 300 sxs. Rel rig 02-24-1988.

#### COMPLETION 02-28-1988 to 03-28-1988

Run CBL-QR and TOC @ 4740'. PU tbg and DO to PBTD @ 6358'. Test casing to 6500' pig OK. Swab down to 5950' for UB shows. Perf Lower Entrada 6310'-6337' w/ 1 SPF. Guns blew uphole and threw casing in WL. POOH w/ tangled lse. Flowtest Lower Entrada up casing on 28/64" chb w/ FCP= 690-770 pig and est rate= 3304 Mcfpd. Run static BHP= 1162 pig @ 6358'. Set WL RBP @ 6225'. Perf Upper Entrada 6168'-6190' and 6142'-6167' w/ 1 SPF. SI for BHP survey = 777 pig @ 6230'. RIH w/ packer on 2-3/8" tbg. Acidize Upper Entrada perf 6142'-6190' w/ 2000 gal 15% HCL. Flowtest acid load and run @ 2146 Mcfpd on 40/64" chb w/ FCP= 215 pig. Rel packer and POOH. Flowtest up casing @ 3392 Mcfpd on 40/64" chb w/ FCP= 540 pig. RIH w/ ret head on tbg and rel RBP @ 6225'. POOH. PURIH w/ Otis WB packer w/ SB extension and nipple subs, set WB packer @ 6210'. RIH w/ Otis WB perm packer. SB ext. 3 jts 2-3/8" tbg and locator. String into WB packer @ 6210'. Press tbg and set top packer @ 6100'. LD workstring and NO TUBING IN HOLE. SI WOPL.

#### RUN TUBING 06-23-1992 to 06-25-1992

MIRU Monrovia Well Service. PU Otis seal assembly, SN and 199 jts 2-3/8" tubing. String into top WB packer @ 6100'. Pump 50 bbls condensate down backside for freeze blanket. RDMO. Well SI. WELL PRODUCED FROM ENTRADA AND CASING EXPOSED SINCE COMPLETION 1988 UNTIL TUBING WAS RAN 1992.

#### BHP & Flowtest Lower Entrada 6310'-6337' 07-23-1992 to 07-23-1992

RIH w/ 1.5" gauge ring, slight obstruction @ 6130'. Work thru and tag PBTD @ 6357'. Repair top master valve. RIH w/ bomb and flow well 24 hrs w rates @ 690-723 Mcfpd. FTP= 350-450 pig (line pressure) wide open. SWI. FBU shows k= 16 md, S= +3.8, P= 979 pig.

#### Perforate Tubing String to Expose Upper Entrada 06-17-1994 TO 06-20-1994

RU RMWL. Set tubing CIBP @ 6222' on top of Otis RN nipple. Perf tubing 6188'-6190' w/ 2 SPF. Flowtest well @ 750 Mcfpd w/ FTP= L7= 380 pig on wide open chb.

#### Wireline Tubing Cleanout 10-02-2000

RU/ PLS Wireline. Run blindbox and tag fill in tubing @ 6173'. Fill 15' above tubing perf 6188'-6190'. RIH w/ tubing beller and tag @ 6173', made no hole. Rec oil and drilling mud in beller. TUBING PERFS 6188'-6190' COVERED WITH FILL IN TUBING.

#### Behind Pipe Potential

Dakota 5410'-5418'; Dakota 5440'-5460'; Cedar Mountain 5510'-5560'



TF CONSULTING INC.

REPORT DATE: 7/6/2007

|                         |                               |                     |             |                    |   |
|-------------------------|-------------------------------|---------------------|-------------|--------------------|---|
| LEASE & WELL:           | SAN ARROYO UNIT # 40          | COMPLETION FOREMAN: | Todd Farley | RIG NUMBER         | Red Rock # 2                                  |
| FIELD/PROSPECT:         | SAN ARROYO                    | COUNTY:             | Grand       | STATE:             | Utah  |
| DISTRICT:               | Colorado                      | REPORT TAKEN BY     | DW          | START DATE         | 6/25/2007 DAY # 10                            |
| PBTD: 6358'             | LN TOP:                       | N/A                 | PERFS       | 6142'- 6190' gross | FORM: Surface PROD. CSG SIZE 4 1/2" 11.6 n-80 |
| AFE DESCRIPTION:        | Fishing parted CSG & TBG      |                     |             | AFE#               | PROD CSG SET @ 6396'                          |
| ACTIVITY @ REPORT TIME: | rdmo Red Rock rig & equipment |                     |             | AFE AMOUNT         |   |

ACTIVITY LAST 24 HOURS

| HOURS         | 6:00 am - 6:00 am   | CODE  | ITEM                                     | DAILY    | CUMULATIVE |       |      |                          |      |        |
|---------------|---|-------|--|----------|------------|-------|------|--------------------------|------|--------|
| 6:00 am       | Mob dozer up San Arroyo, Help rig down hill. Return BOPE              |       | ROADS & LOCATIONS                        |          | 0          |       |      |                          |      |        |
|               | to R@w. Empty 400 bbl tank to return. Makes calls to return all equip |       | RIG DAY RATE                             | 2917     | 41898      |       |      |                          |      |        |
| 12pm          | SDFN  |       | MUD & CHEMICALS                          |          | 0          |       |      |                          |      |        |
|               |   |       | CEMENT & SERVICES                        |          | 0          |       |      |                          |      |        |
|               |   |       | ELECTRIC LOGGING (CASED)                 |          | 19556      |       |      |                          |      |        |
|               |   |       | DISPOSAL                                 |          | 17223      |       |      |                          |      |        |
|               |   |       | BITS                                     |          | 0          |       |      |                          |      |        |
|               |   |       | FILTERING                                |          | 0          |       |      |                          |      |        |
|               |   |       | WATER                                    |          | 0          |       |      |                          |      |        |
|               |   |       | FUEL                                     |          | 0          |       |      |                          |      |        |
|               |   |       | BOP'S                                    |          | 5319       |       |      |                          |      |        |
|               |   |       | FRAC TANKS                               |          | 360        |       |      |                          |      |        |
|               |   |       | PUMPING SERVICES (H.O.T.)                |          | 0          |       |      |                          |      |        |
|               |   |       | TUBING RENTAL                            |          | 0          |       |      |                          |      |        |
|               |   |       | EQUIP. RENT (SWIVEL, TOILET)             | 2340     | 340        |       |      |                          |      |        |
|               |   |       | Power unit with casing Tongs             |          | 2340       |       |      |                          |      |        |
|               |   |       | LIGHT TOWER                              |          | 0          |       |      |                          |      |        |
|               |   |       | FLOW MANIFOLD                            |          | 0          |       |      |                          |      |        |
| TUBING DETAIL |   |       | PERFORATION DETAIL                       |          | 0          |       |      |                          |      |        |
| Item          | Length  | Depth | Top Shot                                 | Btm Shot | SPF        | Phase | Date | PKRS & PLUGS             |      | 0      |
| KB            | 15.60   | 15.60 |  |          |            |       |      | TRUCKING and Dozer       | 2240 | 1623   |
| 0             | 0.00  | 15.60 |  |          |            |       |      |                          |      | 2240   |
| 0             | 0.00  | 15.60 |  |          |            |       |      | PERFORATING              |      | 6099   |
| PKR           | 0.00  | 15.60 |  |          |            |       |      |                          |      | 0      |
|               |   |       |  |          |            |       |      | STIMULATION              |      | 0      |
|               |   |       |  |          |            |       |      |                          |      | 0      |
|               |   |       |  |          |            |       |      | MISC LABOR & SERVICES    |      | 0      |
|               |   |       |  |          |            |       |      |                          |      | 0      |
|               |   |       |  |          |            |       |      | SUPERVISION CONTRACT     |      | 9720   |
|               |   |       |  |          |            |       |      | TF CONSULTING INC,       |      | 0      |
| EOT @         |   |       | 15.6                                     |          |            |       |      | SLICK LINE WORK          |      | 0      |
|               |   |       |  |          |            |       |      |                          |      | 0      |
|               |   |       |  |          |            |       |      | FISHING TOOLS & SERVICES |      | 0      |
| CODE          |   |       | TANGIBLE ITEMS CHARGED TODAY: (DESCRIBE) |          | COST       |       |      | TOTAL INTANGIBLES        | 7497 | 8005   |
|               | TUBING  |       |  |          |            |       |      | TOTAL TANGIBLES          | 0    | 114723 |
|               | WELLHEAD  |       |  |          |            |       |      | TOTAL COSTS              | 7497 | 114723 |
|               | ARTI. LIFT  |       |  |          |            |       |      | CONTINGENCIES (6%)       |      | 0      |
|               |   |       |  |          |            |       |      | CUM. DRLG. COST          |      | 0      |
|               | PKR & DH  |       |  |          |            |       |      | CONSTR. COST             |      | 0      |
|               |   |       |  |          |            |       |      | JOB TOTAL                | 7497 | 88828  |

TF CONSULTING INC.

REPORT DATE: 7/6/2007

|                         |                               |                 |                     |                    |                         |                                 |
|-------------------------|-------------------------------|-----------------|---------------------|--------------------|-------------------------|---------------------------------|
| LEASE & WELL:           | SAN ARROYO UNIT # 40          |                 | COMPLETION FOREMAN: | Todd Farley        | RIG NUMBER Red Rock # 2 |                                 |
| FIELD/PROSPECT:         | SAN ARROYO                    |                 | COUNTY:             | Grand              | STATE:                  | Utah                            |
| DISTRICT:               | Colorado                      | REPORT TAKEN BY | DW                  | START DATE         | 6/25/2007               | DAY # 10                        |
| PBTD: 6358'             | LN TOP:                       | N/A             | PERFS               | 6142'- 6190' gross | FORM: Surface           | PROD. CSG SIZE 4 1/2" 11.6 n-80 |
| AFE DESCRIPTION:        | Fishing parted CSG & TBG      |                 |                     | AFE#               | PROD CSG SET @ 6396'    |                                 |
| ACTIVITY @ REPORT TIME: | rdmo Red Rock rig & equipment |                 |                     | AFE AMOUNT         |                         |                                 |

ACTIVITY LAST 24 HOURS

[illegible]

REPORT DATE: 7/5/2007

|                         |                               |                     |             |                |                    |
|-------------------------|-------------------------------|---------------------|-------------|----------------|--------------------|
| LEASE & WELL:           | SAN ARROYO UNIT # 40          | COMPLETION FOREMAN: | Todd Farley | RIG NUMBER     | Red Rock # 2       |
| FIELD/PROSPECT:         | SAN ARROYO                    | COUNTY:             | Grand       | STATE:         | Utah               |
| DISTRICT:               | Colorado                      | REPORT TAKEN BY     | DW          | START DATE     | 6/25/2007 DAY # 9  |
| PBTD:                   | 6358'                         | LN TOP:             | N/A         | PERFS          | 6142'- 6190' gross |
| AFE DESCRIPTION:        | Fishing parted CSG & TBG      | FORM:               | Surface     | PROD. CSG SIZE | 4 1/2" 11.6 n-80   |
| ACTIVITY @ REPORT TIME: | rdmo Red Rock rig & equipment | AFE#                |             | PROD CSG SET @ | 6396'              |
|                         |                               | AFE AMOUNT          |             |                |                    |

## ACTIVITY LAST 24 HOURS

| HOURS  | 6:00 am - 6:00 am | CODE | ITEM                         | DAILY | CUMULATIVE |
|--|-------------------|------|------------------------------|-------|------------|
| 7:30 am siwp 0 psi rih to tag cmt plug at 298' please note 69' above 9 5/8" surface shoe laid down tbg n.d bops rih w/ 2 jts 2 3/8" tbg pumped 55 sks "G" cmt w/ 2% cal total to put cmt at surface as requested by MR. Jack Johnson of Moab Utah BLM field office r.d Red Rock rig racked out equipment prepped rig to be moved in AM<br>3:30 pm sdfn |                   |      | ROADS & LOCATIONS            |       | 0          |
|  |                   |      | RIG DAY RATE                 | 4064  | 38981      |
|  |                   |      | MUD & CHEMICALS              |       | 0          |
|  |                   |      | CEMENT & SERVICES            |       | 0          |
|  |                   |      | Halliburton cement P&A       | 19556 | 19556      |
|  |                   |      | ELECTRIC LOGGING (CASED)     |       | 0          |
|  |                   |      |                              |       | 17223      |
|  |                   |      | DISPOSAL                     |       | 0          |
|  |                   |      | BITS                         |       | 0          |
|  |                   |      | FILTERING                    |       | 0          |
|  |                   |      | WATER                        |       | 0          |
|  |                   |      | FUEL                         |       | 0          |
|  |                   |      | BOP'S                        | 500   | 5319       |
|  |                   |      | FRAC TANKS                   | 40    | 360        |
|  |                   |      | PUMPING SERVICES (H.O.T.)    |       | 0          |
|  |                   |      | TUBING RENTAL                |       | 0          |
|  |                   |      | EQUIP. RENT (SWIVEL, TOILET) | 15    | 340        |
|  |                   |      | FRAC VALVE                   |       | 0          |
|  |                   |      | LIGHT TOWER                  |       | 0          |
|  |                   |      | FLOW MANIFOLD                |       | 0          |
|  |                   |      | PKRS & PLUGS                 |       | 0          |
|  |                   |      |                              |       | 1623       |
|  |                   |      | TRUCKING                     |       | 0          |
|  |                   |      |                              |       | 6099       |
|  |                   |      | PERFORATING                  |       | 0          |
|  |                   |      |                              |       | 0          |
|  |                   |      | STIMULATION                  |       | 0          |
|  |                   |      |                              |       | 0          |
|  |                   |      | MISC LABOR & SERVICES        |       | 0          |
|  |                   |      |                              |       | 0          |
|  |                   |      | SUPERVISION CONTRACT         | 1215  | 9720       |
|  |                   |      | TF CONSULTING INC,           |       | 0          |
|  |                   |      | SLICK LINE WORK              |       | 0          |
|  |                   |      |                              |       | 0          |
|  |                   |      | FISHING TOOLS & SERVICES     |       | 0          |
|  |                   |      | K&R Fishing cost adjustment  | 505   | 8005       |
|  |                   |      | TOTAL INTANGIBLES            | 25895 | 107226     |
|  |                   |      | TOTAL TANGIBLES              | 0     | 0          |
|  |                   |      | TOTAL COSTS                  | 25895 | 107226     |
|  |                   |      | CONTINGENCIES (6%)           |       | 0          |
|  |                   |      | CUM. DRLG. COST              |       | 0          |
|  |                   |      | CONSTR. COST                 |       | 0          |
|  |                   |      | JOB TOTAL                    | 25895 | 107226     |

## TUBING DETAIL

## PERFORATION DETAIL

| Item | Length | Depth | Top Shot | Btm Shot | SPF | Phase | Date |
|------|--------|-------|----------|----------|-----|-------|------|
| KB   | 15.60  | 15.60 |          |          |     |       |      |
| 0    | 0.00   | 15.60 |          |          |     |       |      |
| 0    | 0.00   | 15.60 |          |          |     |       |      |
| PKR  | 0.00   | 15.60 |          |          |     |       |      |

EOT @ 15.6

CODE TANGIBLE ITEMS CHARGED TODAY: (DESCRIBE) COST

|  |            |  |  |
|--|------------|--|--|
|  | TUBING     |  |  |
|  | WELLHEAD   |  |  |
|  | ARTI. LIFT |  |  |
|  | PKR & DH   |  |  |

TF CONSULTING INC.  
 DAILY REPORT FOR SLATE RIVER RESOURCES

REPORT DATE: 7/4/2007

|                         |                               |                     |             |                |                    |
|-------------------------|-------------------------------|---------------------|-------------|----------------|--------------------|
| LEASE & WELL:           | SAN ARROYO UNIT # 40          | COMPLETION FOREMAN: | Todd Farley | RIG NUMBER     | Red Rock # 2       |
| FIELD/PROSPECT:         | SAN ARROYO                    | COUNTY:             | Grand       | STATE:         | Utah               |
| DISTRICT:               | Colorado                      | REPORT TAKEN BY     | DW          | START DATE     | 6/25/2007 DAY # 8  |
| PBTD:                   | 6358'                         | LN TOP:             | N/A         | PERFS          | 6142'- 6190' gross |
| AFE DESCRIPTION:        | Fishing parted CSG & TBG      | FORM:               | Surface     | PROD. CSG SIZE | 4 1/2" 11.6 n-80   |
| ACTIVITY @ REPORT TIME: | rdmo Red Rock rig & equipment | AFE#                |             | PROD CSG SET @ | 6396'              |
| AFE AMOUNT              |                               |                     |             |                |                    |

ACTIVITY LAST 24 HOURS

| HOURS  | 6:00 am - 6:00 am | CODE | ITEM                         | DAILY | CUMULATIVE |
|--|-------------------|------|------------------------------|-------|------------|
| 7:30 am siwp 0 psi r.u Cased Hole Solutions chem, cut 4 1/2" csg off at 375' from surface rdmo wire line pooh & laid down 9 jts + 4' csg rih to eot 432' broke circ, mixed & pumped 43 sks "G" cmt w/ 2 % cal. Pooh w/ tbg waited 2 hour rih tagged cmt 386' broke circ, using 4 bbls wtr mixed & pumped 30 sks "G" cmt w/ 2% cal pooh w/ tbg swifn. |                   |      | ROADS & LOCATIONS            |       | 0          |
| 3:30 pm sdfn   |                   |      | RIG DAY RATE                 | 5024  | 34917      |
|  |                   |      | MUD & CHEMICALS              |       | 0          |
|  |                   |      | CEMENT & SERVICES            |       | 0          |
|  |                   |      | ELECTRIC LOGGING (CASED)     |       | 0          |
|  |                   |      | Cased Hole Solutions cutting | 9260  | 17223      |
|  |                   |      | DISPOSAL                     |       | 0          |
|  |                   |      | BITS                         |       | 0          |
|  |                   |      | FILTERING                    |       | 0          |

|  |  |  |                              |     |      |
|--|--|--|------------------------------|-----|------|
|  |  |  | WATER                        |     | 0    |
|  |  |  | FUEL                         |     | 0    |
|  |  |  | BOP'S                        | 500 | 4819 |
|  |  |  | FRAC TANKS                   | 40  | 320  |
|  |  |  | PUMPING SERVICES (H.O.T.)    |     | 0    |
|  |  |  | TUBING RENTAL                |     | 0    |
|  |  |  | EQUIP. RENT (SWIVEL, TOILET) | 15  | 325  |
|  |  |  | FRAC VALVE                   |     | 0    |
|  |  |  | LIGHT TOWER                  |     | 0    |
|  |  |  | FLOW MANIFOLD                |     | 0    |
|  |  |  | PKRS & PLUGS                 |     | 0    |

| TUBING DETAIL |        |       | PERFORATION DETAIL |          |     |       |          |                          |      |
|---------------|--------|-------|--------------------|----------|-----|-------|----------|--------------------------|------|
| Item          | Length | Depth | Top Shot           | Btm Shot | SPF | Phase | Date     |                          |      |
| KB            | 15.60  | 15.60 | 6330               | 6337     | 1   |       | 1-Mar-88 | TRUCKING                 | 0    |
| 0             | 0.00   | 15.60 | 6168               | 6190     | 1   |       | 1-Mar-88 |                          | 6099 |
| 0             | 0.00   | 15.60 | 6142               | 6167     | 1   |       | 1-Mar-88 | PERFORATING              | 0    |
| PKR           | 0.00   | 15.60 |                    |          |     |       |          |                          | 0    |
|               |        |       |                    |          |     |       |          | STIMULATION              | 0    |
|               |        |       |                    |          |     |       |          | MISC LABOR & SERVICES    | 0    |
|               |        |       |                    |          |     |       |          | SUPERVISION CONTRACT     | 1215 |
|               |        |       |                    |          |     |       |          | TF CONSULTING INC,       | 0    |
| EOT @         | 15.6   |       |                    |          |     |       |          | SLICK LINE WORK          | 0    |
|               |        |       |                    |          |     |       |          | FISHING TOOLS & SERVICES | 0    |

| CODE | TANGIBLE ITEMS CHARGED TODAY: (DESCRIBE) | COST |
|------|--|------|
|      | TUBING                                   |      |
|      | WELLHEAD                                 |      |
|      | ARTI. LIFT                               |      |
|      | PKR & DH                                 |      |

|  |                    |       |
|--|--------------------|-------|
|  |                    | 7500  |
|  | TOTAL INTANGIBLES  | 16054 |
|  | TOTAL TANGIBLES    | 0     |
|  | TOTAL COSTS        | 16054 |
|  | CONTINGENCIES (6%) | 0     |
|  | CUM. DRLG. COST    | 0     |
|  | CONSTR. COST       | 0     |
|  | JOB TOTAL          | 16054 |
|  |                    | 81331 |

REPORT DATE: 7/3/2007

|                         |                          |                     |                    |               |                                 |
|-------------------------|--------------------------|---------------------|--------------------|---------------|---------------------------------|
| LEASE & WELL:           | SAN ARROYO UNIT # 40     | COMPLETION FOREMAN: | Todd Farley        | RIG NUMBER    | Red Rock # 2                    |
| FIELD/PROSPECT:         | SAN ARROYO               | COUNTY:             | Grand              | STATE:        | Utah                            |
| DISTRICT:               | Colorado                 | REPORT TAKEN BY     | DW                 | START DATE    | 6/25/2007 DAY # 7               |
| PBTD: 6358'             | LN TOP: N/A              | PERFS               | 6142'- 6190' gross | FORM: Surface | PROD. CSG SIZE 4 1/2" 11.6 n-80 |
| AFE DESCRIPTION:        | Fishing parted CSG & TBG |                     |                    | AFE#          | PROD CSG SET @ 6396'            |
| ACTIVITY @ REPORT TIME: | cutting 4 1/2" csg off   |                     |                    | AFE AMOUNT    |                                 |

ACTIVITY LAST 24 HOURS

| HOURS  | 6:00 am - 6:00 am | CODE | ITEM                     | DAILY | CUMULATIVE |
|--|-------------------|------|--------------------------|-------|------------|
| 7:30 am siwp 0 psi rih to tag cmt plug @ 1920' note 12' cmt over parted csg!       |                   |      | ROADS & LOCATIONS        |       | 0          |
| Mixed & pumped 30 sks "G" cmt w/ 2% cal displaced pooh laid down tbg to 370'       |                   |      |                          |       | 0          |
| miru Cased Hole Solutions jet cut 4 1/2" csg at @ 409' tried to work csg free no   |                   |      | RIG DAY RATE             | 4652  | 29893      |
| luck jet cut 4 1/2" csg at 400' tried to work 4 1/2" csg free no luck free pointed |                   |      |                          |       | 0          |
| csg as follows please note free points shown below swifn.                          |                   |      | MUD & CHEMICALS          |       | 0          |
| 4:30 pm sdfn   |                   |      |                          |       | 0          |
|  |                   |      | CEMENT & SERVICES        |       | 0          |
|  |                   |      |                          |       | 0          |
| 9 5/8" csg shoe 367'   |                   |      | ELECTRIC LOGGING (CASED) |       | 0          |
|  |                   |      |                          |       | 7963       |
| free point   |                   |      | DISPOSAL                 |       | 0          |
| 375' 90% free  |                   |      | BITS                     |       | 0          |
| 380' 60% free  |                   |      | FILTERING                |       | 0          |
| 395' 1% free   |                   |      |                          |       | 0          |
| 402' 0% free   |                   |      | WATER                    |       | 0          |
|  |                   |      |                          |       | 0          |

|  |  |                              |     |      |
|--|--|------------------------------|-----|------|
|  |  | FUEL                         |     | 0    |
|  |  | BOP'S                        | 500 | 4319 |
|  |  | FRAC TANKS                   | 40  | 280  |
|  |  | PUMPING SERVICES (H.O.T.)    |     | 0    |
|  |  | TUBING RENTAL                |     | 0    |
|  |  | EQUIP. RENT (SWIVEL, TOILET) | 15  | 310  |
|  |  | FRAC VALVE                   |     | 0    |
|  |  | LIGHT TOWER                  |     | 0    |
|  |  | FLOW MANIFOLD                |     | 0    |

[illegible]

| CODE | TANGIBLE ITEMS CHARGED TODAY: (DESCRIBE) |  | COST |
|------|--|--|------|
|      | TUBING                                   |  |      |
|      | WELLHEAD                                 |  |      |
|      | ARTI. LIFT                               |  |      |
|      | PKR & DH                                 |  |      |

|  |                          |      |       |
|--|--------------------------|------|-------|
|  | FISHING TOOLS & SERVICES |      | 0     |
|  |                          |      | 7500  |
|  | TOTAL INTANGIBLES        | 6422 | 65277 |
|  | TOTAL TANGIBLES          | 0    | 0     |
|  | TOTAL COSTS              | 6422 | 65277 |
|  | CONTINGENCIES (6%)       |      | 0     |
|  | CUM. DRLG. COST          |      | 0     |
|  | CONSTR. COST             |      | 0     |
|  | JOB TOTAL                | 6422 | 65277 |



TF CONSULTING INC.  
DAILY REPORT FOR SLATE RIVER RESOURCES

REPORT DATE: 7/2/2007

|                         |                          |                     |             |                |                    |
|-------------------------|--------------------------|---------------------|-------------|----------------|--------------------|
| LEASE & WELL:           | SAN ARROYO UNIT # 40     | COMPLETION FOREMAN: | Todd Farley | RIG NUMBER     | Red Rock # 2       |
| FIELD/PROSPECT:         | SAN ARROYO               | COUNTY:             | Grand       | STATE:         | Utah               |
| DISTRICT:               | Colorado                 | REPORT TAKEN BY     | DW          | START DATE     | 6/25/2007 DAY # 6  |
| PBTD:                   | 6358'                    | LN TOP:             | N/A         | PERFS          | 6142'- 6190' gross |
| AFE DESCRIPTION:        | Fishing parted CSG & TBG | FORM:               | Surface     | PROD. CSG SIZE | 4 1/2" 11.6 n-80   |
| ACTIVITY @ REPORT TIME: |                          | AFE#                |             | PROD CSG SET @ | 6396'              |
|                         |                          | AFE AMOUNT          |             |                |                    |

ACTIVITY LAST 24 HOURS

| HOURS  | 6:00 am - 6:00 am | CODE | ITEM                         | DAILY | CUMULATIVE |
|--|-------------------|------|------------------------------|-------|------------|
| 7:30 am sitp slight blow sicp slight blow p.u 2 jts 2 3/8" tbg tagged parted csg at @ 1932' miru Halliburton Services pumped 220 bbls production wtr down well to fill had poor returns recovered @ 30 bbls fluid mixed & pumped 22 sks "G" cmt w/ 2% cal. Displaced cmt pooh w/ 20 jts tbg circ, tbg clean waited 2 hrs rih did not tag cmt. please note Halliburton used 70 bbls fresh wtr to clean truck after first cmt job waited 2 hrs for fresh wtr pumped 9 bbls to break circ, mixed 22 sks "G" cmt w/ 2% cal. pumped & displaced using 6 bbls wtr pooh w/ 20 jts eot 1303' circ, tbg clean swifr.<br>5:30 pm |                   |      | ROADS & LOCATIONS            |       | 0          |
|  |                   |      | RIG DAY RATE                 | 4503  | 25241      |
|  |                   |      | MUD & CHEMICALS              |       | 0          |
|  |                   |      | CEMENT & SERVICES            |       | 0          |
|  |                   |      | ELECTRIC LOGGING (CASED)     |       | 0          |
|  |                   |      | DISPOSAL                     |       | 7963       |
|  |                   |      | BITS                         |       | 0          |
|  |                   |      | FILTERING                    |       | 0          |
|  |                   |      | WATER                        |       | 0          |
|  |                   |      | FUEL                         |       | 0          |
|  |                   |      | BOP'S                        | 500   | 3819       |
|  |                   |      | FRAC TANKS                   | 40    | 240        |
|  |                   |      | PUMPING SERVICES (H.O.T.)    |       | 0          |
|  |                   |      | TUBING RENTAL                |       | 0          |
|  |                   |      | EQUIP. RENT (SWIVEL, TOILET) | 15    | 295        |
|  |                   |      | FRAC VALVE                   |       | 0          |
|  |                   |      | LIGHT TOWER                  |       | 0          |
|  |                   |      | FLOW MANIFOLD                |       | 0          |
|  |                   |      | PKRS & PLUGS                 |       | 0          |
|  |                   |      | TRUCKING                     |       | 1623       |
|  |                   |      | PERFORATING                  |       | 0          |
|  |                   |      | STIMULATION                  |       | 0          |
|  |                   |      | MISC LABOR & SERVICES        |       | 0          |
|  |                   |      | SUPERVISION CONTRACT         | 1215  | 6075       |
|  |                   |      | TF CONSULTING INC,           |       | 0          |
|  |                   |      | SLICK LINE WORK              |       | 0          |
|  |                   |      | FISHING TOOLS & SERVICES     |       | 0          |
|  |                   |      | TOTAL INTANGIBLES            | 6273  | 58855      |
|  |                   |      | TOTAL TANGIBLES              | 0     | 0          |
|  |                   |      | TOTAL COSTS                  | 6273  | 58855      |
|  |                   |      | CONTINGENCIES (6%)           |       | 0          |
|  |                   |      | CUM. DRLG. COST              |       | 0          |
|  |                   |      | CONSTR. COST                 |       | 0          |
|  |                   |      | JOB TOTAL                    | 6273  | 58855      |

| TUBING DETAIL |        | PERFORATION DETAIL |          |          |     |       |          |
|---------------|--------|--------------------|----------|----------|-----|-------|----------|
| Item          | Length | Depth              | Top Shot | Btm Shot | SPF | Phase | Date     |
| KB            | 15.60  | 15.60              | 6330     | 6337     | 1   |       | 1-Mar-88 |
| 0             | 0.00   | 15.60              | 6168     | 6190     | 1   |       | 1-Mar-88 |
| 0             | 0.00   | 15.60              | 6142     | 6167     | 1   |       | 1-Mar-88 |
| PKR           | 0.00   | 15.60              |          |          |     |       |          |
|               |        |                    |          |          |     |       |          |
|               |        |                    |          |          |     |       |          |
|               |        |                    |          |          |     |       |          |
|               |        |                    |          |          |     |       |          |
|               |        |                    |          |          |     |       |          |

|       |      |
|-------|------|
| EOT @ | 15.6 |
|-------|------|

| CODE | TANGIBLE ITEMS CHARGED TODAY: (DESCRIBE) | COST |
|------|--|------|
|      | TUBING                                   |      |
|      | WELLHEAD                                 |      |
|      | ARTI. LIFT                               |      |
|      | PKR & DH                                 |      |

6/29/2007

|                         |                          |                     |                    |                |                                 |
|-------------------------|--------------------------|---------------------|--------------------|----------------|---------------------------------|
| LEASE & WELL:           | SAN ARROYO UNIT # 40     | COMPLETION FOREMAN: | Todd Farley        | RIG NUMBER     | Red Rock # 2                    |
| FIELD/PROSPECT:         | SAN ARROYO               | COUNTY:             | Grand              | STATE:         | Utah                            |
| DISTRICT:               | Colorado                 | REPORT TAKEN BY     | DW                 | START DATE     | 6/25/2007 DAY # 5               |
| PBTD: 6358'             | LN TOP: N/A              | PERFS               | 6142'- 6190' gross | FORM: Surface  | PROD. CSG SIZE 4 1/2" 11.6 n-80 |
| AFE DESCRIPTION:        | Fishing parted CSG & TBG | AFE#                |                    | PROD CSG SET @ | 6396'                           |
| ACTIVITY @ REPORT TIME: |                          | AFE AMOUNT          |                    |                |                                 |

AFE AMOUNT

| HOURS  | 6:00 am - 6:00 am | CODE                         | ITEM                     | DAILY | CUMULATIVE |
|--|-------------------|------------------------------|--------------------------|-------|------------|
| 7;am siwp 0 psi n.d well head tree wait for bop studs n.u bops p.u 61 jts 2 3/8" tbg to tag RBP set @ 1880' unset RBP pooh w/ RBP laid down tool rih w/ 61 jts 2 3/8" t bgopen ended eot @ 1890' swifn.<br>3;pm sdfn |                   |                              | ROADS & LOCATIONS        |       | 0          |
|  |                   |                              | RIG DAY RATE             | 3567  | 20738      |
|  |                   |                              | MUD & CHEMICALS          |       | 0          |
|  |                   |                              | CEMENT & SERVICES        |       | 0          |
|  |                   |                              | ELECTRIC LOGGING (CASED) |       | 0          |
|  |                   |                              | DISPOSAL                 |       | 7963       |
|  |                   |                              | BITS                     |       | 0          |
|  |                   |                              | FILTERING                |       | 0          |
|  |                   |                              | WATER                    |       | 0          |
|  |                   |                              | FUEL                     |       | 0          |
|  |                   | BOP'S                        | 500                      | 3319  |            |
|  |                   | FRAC TANKS                   | 40                       | 200   |            |
|  |                   | PUMPING SERVICES (H.O.T.)    |                          | 0     |            |
|  |                   | TUBING RENTAL                |                          | 0     |            |
|  |                   | EQUIP. RENT (SWIVEL, TOILET) | 15                       | 280   |            |
|  |                   | FRAC VALVE                   |                          | 0     |            |
|  |                   | LIGHT TOWER                  |                          | 0     |            |
|  |                   | FLOW MANIFOLD                |                          | 0     |            |

| TUBING DETAIL |        |       | PERFORATION DETAIL |          |     |       |          |                       |      |
|---------------|--------|-------|--------------------|----------|-----|-------|----------|-----------------------|------|
| Item          | Length | Depth | Top Shot           | Btm Shot | SPF | Phase | Date     |                       |      |
| KB            | 15.60  | 15.60 | 6330               | 6337     | 1   |       | 1-Mar-88 | TRUCKING              |      |
| 0             | 0.00   | 15.60 | 6168               | 6190     | 1   |       | 1-Mar-88 | BOPS & TBG Move       | 1490 |
| 0             | 0.00   | 15.60 | 6142               | 6167     | 1   |       | 1-Mar-88 | PERFORATING           |      |
| PKR           | 0.00   | 15.60 |                    |          |     |       |          |                       |      |
|               |        |       |                    |          |     |       |          | STIMULATION           |      |
|               |        |       |                    |          |     |       |          |                       |      |
|               |        |       |                    |          |     |       |          | MISC LABOR & SERVICES |      |
|               |        |       |                    |          |     |       |          |                       |      |
|               |        |       |                    |          |     |       |          | SUPERVISION CONTRACT  | 1215 |
| EOT @         |        | 15.6  |                    |          |     |       |          | TF CONSULTING INC,    |      |
|               |        |       |                    |          |     |       |          | SLICK LINE WORK       |      |

| CODE | TANGIBLE ITEMS CHARGED TODAY: (DESCRIBE) |  | COST |
|------|--|--|------|
|      | TUBING                                   |  |      |
|      | WELLHEAD                                 |  |      |
|      | ARTI. LIFT                               |  |      |
|      | PKR & DH                                 |  |      |

|     |                          |       |       |
|-----|--------------------------|-------|-------|
| 153 | FISHING TOOLS & SERVICES |       | 0     |
|     | K&R Fishing              | 7500  | 7500  |
|     | TOTAL INTANGIBLES        | 14327 | 52582 |
|     | TOTAL TANGIBLES          | 0     | 0     |
|     | TOTAL COSTS              | 14327 | 52582 |
|     | CONTINGENCIES (6%)       |       | 0     |
|     | CUM. DRLG. COST          |       | 0     |
|     | CONSTR. COST             |       | 0     |
|     | JOB TOTAL                | 14327 | 52582 |



TF CONSULTING INC.  
MINING REPORT FOR SLATE RIVER RESOURCES

REPORT DATE: 6/27/2007

|                         |                          |                     |             |                |                    |
|-------------------------|--------------------------|---------------------|-------------|----------------|--------------------|
| LEASE & WELL:           | SAN ARROYO UNIT # 40     | COMPLETION FOREMAN: | Todd Farley | RIG NUMBER     | Red Rock # 2       |
| FIELD/PROSPECT:         | SAN ARROYO               | COUNTY:             | Grand       | STATE:         | Utah               |
| DISTRICT:               | Colorado                 | REPORT TAKEN BY     | DW          | START DATE     | 6/25/2007 DAY # 3  |
| PBTD:                   | 6358'                    | LN TOP:             | N/A         | PERFS          | 6142'- 6190' gross |
| AFE DESCRIPTION:        | Fishing parted CSG & TBG | FORM:               | Surface     | PROD. CSG SIZE | 4 1/2" 11.6 n-80   |
| ACTIVITY @ REPORT TIME: | logging stuck csg        | AFE#                |             | PROD CSG SET @ | 6396'              |
|                         |                          | AFE AMOUNT          |             |                |                    |

ACTIVITY LAST 24 HOURS

| HOURS   | 6:00 am - 6:00 am | CODE | ITEM                           | DAILY | CUMULATIVE |
|---|-------------------|------|--------------------------------|-------|------------|
| 7:30 am sicip (4 1/2") @ 50 psi sicip (9 5/8") slight blow bled well off p.u 4 3/4" drill collar & jars worked 4 1/2" csg to try to free slips w/ no luck waited for Cased Hole Solutions wrapped well head w/ primer cord p.u on 4 1/2" csg & slips set off cord to free slips worked 4 1/2" csg appears to be suck at @ 1000' by stretch n.u 11" bops prepped to log stuck csg in AM swifn. |                   |      |                                |       |            |
| 3:30 pm sdfn  |                   |      |                                |       |            |
|   |                   |      | ROADS & LOCATIONS              |       | 0          |
|   |                   |      | RIG DAY RATE                   | 4364  | 12807      |
|   |                   |      | MUD & CHEMICALS                |       | 0          |
|   |                   |      | CEMENT & SERVICES              |       | 0          |
|   |                   |      | ELECTRIC LOGGING (CASED)       |       | 0          |
|   |                   |      | DISPOSAL                       |       | 0          |
|   |                   |      | BITS                           |       | 0          |
|   |                   |      | FILTERING                      |       | 0          |
|   |                   |      | WATER                          |       | 0          |
|   |                   |      | FUEL                           |       | 0          |
|   |                   |      | BOP'S                          | 500   | 2319       |
|   |                   |      | FRAC TANKS                     | 120   | 120        |
|   |                   |      | PUMPING SERVICES (H.O.T.)      |       | 0          |
|   |                   |      | TUBING RENTAL                  |       | 0          |
|   |                   |      | EQUIP. RENT (SWIVEL, TOILET)   | 250   | 250        |
|   |                   |      | FRAC VALVE                     |       | 0          |
|   |                   |      | LIGHT TOWER                    |       | 0          |
|   |                   |      | FLOW MANIFOLD                  |       | 0          |
|   |                   |      | PKRS & PLUGS                   |       | 0          |
|   |                   |      | TRUCKING                       |       | 0          |
|   |                   |      | Red Rock cat walk & pipe racks | 1280  | 4609       |
|   |                   |      | PERFORATING                    |       | 0          |
|   |                   |      | STIMULATION                    |       | 0          |
|   |                   |      | MISC LABOR & SERVICES          |       | 0          |
|   |                   |      | SUPERVISION CONTRACT           | 1215  | 2430       |
|   |                   |      | TF CONSULTING INC.             |       | 0          |
|   |                   |      | SLICK LINE WORK                |       | 0          |
|   |                   |      | FISHING TOOLS & SERVICES       |       | 0          |
|   |                   |      | TOTAL INTANGIBLES              | 7729  | 22535      |
|   |                   |      | TOTAL TANGIBLES                | 0     | 0          |
|   |                   |      | TOTAL COSTS                    | 7729  | 22535      |
|   |                   |      | CONTINGENCIES (6%)             |       | 0          |
|   |                   |      | CUM. DRLG. COST                |       | 0          |
|   |                   |      | CONSTR. COST                   |       | 0          |
|   |                   |      | JOB TOTAL                      | 7729  | 22535      |

| TUBING DETAIL |        |       | PERFORATION DETAIL |          |     |       |          |
|---------------|--------|-------|--------------------|----------|-----|-------|----------|
| Item          | Length | Depth | Top Shot           | Btm Shot | SPF | Phase | Date     |
| KB            | 15.60  | 15.60 | 6330               | 6337     | 1   |       | 1-Mar-88 |
| 0             | 0.00   | 15.60 | 6168               | 6190     | 1   |       | 1-Mar-88 |
| 0             | 0.00   | 15.60 | 6142               | 6167     | 1   |       | 1-Mar-88 |
| PKR           | 0.00   | 15.60 |                    |          |     |       |          |
| EOT @ 15.6    |        |       |                    |          |     |       |          |

| CODE | TANGIBLE ITEMS CHARGED TODAY: (DESCRIBE) | COST |
|------|--|------|
|      | TUBING                                   |      |
|      | WELLHEAD                                 |      |
|      | ARTI. LIFT                               |      |
|      | PKR & DH                                 |      |

|  |                             |                               |                          |
|--|-----------------------------|-------------------------------|--------------------------|
| OPERATOR: <u>SLATE RIVER RESOURCES</u> | CNTY: <u>GRAND</u>          | FTG: <u>739' FNL 1443 FEL</u> | IP GAS: <u>5,392</u>     |
| WELL: <u>SAN ARROYO UNIT # 40</u>      | STATE: <u>UTAH</u>          | Q-Q: <u>NWNE</u>              | IP OIL: <u>0</u>         |
| FIELD: <u>SAN ARROYO</u>               | ROT SPUD: <u>16-Feb-88</u>  | SEC: <u>27</u>                | IP WTR: <u>0</u>         |
| API # <u>43-019-31250</u>              | COMP: <u>28-Mar-88</u>      | TWS: <u>16S</u>               | CUM GAS: <u>538,142</u>  |
| LEASE #: <u>UTU-025297</u>             | STATUS: <u>SIGW</u>         | RGE: <u>25E</u>               | CUM OIL: <u>430</u>      |
| UIC #: <u>N/A</u>                      | PROC DATE: <u>13-Jun-07</u> | BY: <u>TF</u>                 | CUM WTR: <u>4</u>        |
|  |                             |                               | LAST PROD: <u>Sep-95</u> |

Wellhead: Well Head Ink #3,000

Casing: 4 1/2", N-80, 11.6#

Tubing: 2-3/8", J-55, 4.7#

Capacities: 2 3/8 Tbg

0.0039 bbl/ft

Burst = 7780 psig

Burst = 7700 psig

4 1/2 Csg

0.0155 bbl/ft

Casing @ 6396'

Tensile: 71700 lbs

2-3/8" x 4 1/2 Annulus

0.0101 bbl/ft

FC @ 6358'

#### FISHING PROCEDURE

OBJECTIVE: Fish parted csg @ 1932' & tbg @ 5203' and remove pkr set @ 6100' for production of upper Entrada perms 6142'-6167' & 6168'-6190' or set well for plug back & wipe stock of well.

- 1 - MIRU Red Rock rig & equipment
- 2 - Try to break circulation down 4 1/2" csg up open hole Annuls & 9 5/8" surface csg to insure csg is free using production wtr or drilling fluid to hold open hole integrity of well.
- 3 - Remove tbg head screw on 4 1/2" flag jt p.u on 4 1/2" csg to remove csg slips & N.U well head flange & 11" bops prep to pooh & laid down 4 1/2" csg for inspection
- 4 - P.U 1 jt wash pipe on 2 3/8" tbg rih wash over parted csg to insure csg patch will go over fish top pooh
- 5 - P.U 4 1/2" csg over shot on 4 1/2" csg rih latch on to parted csg p.u and set back in well head slips
- 6 - P.U 3 7/8" FLAT BOTTOM MILL rih to tbg fish top to insure csg is not plugged
- 7 - MIRU csg inspection logging truck to log well from tbg fish top to csg part and evaluate log

#### **IF CSG IS GOOD IN WELL CONTINUE AS FOLLOWS**

- 8 - P.U wash pipe rih w/ 2 3/8" tbg wash over bad tbg & cutting off tbg using external cutter until tbg appears to be in good condition then jar the rest of stuck tbg from well
- 9 - P.U wash pipe rih cut over OTIS WB PKR set @ 6100'
- 10 - RIH w/ over shot & jars to fish PKR free & remove if possible
- 11 - Set B/P at cmt top @ 4760' +/- perforate csg & pump cmt to surface?
- 12 - Clean out well & return to production

| Zone          | Top Perf | Bottom Perf | Net Pay |
|---------------|----------|-------------|---------|
| Upper Entrada | 6142'    | 6167'       | 50%     |
| Upper Entrada | 6168'    | 6190'       | 50%     |
|               |          |             |         |
|               |          |             |         |

TF CONSULTING INC.  
 DAILY REPORT FOR SLATE RIVER RESOURCES

REPORT DATE: 6/26/2007

|   |             |                                 |               |                                  |       |
|---|-------------|---------------------------------|---------------|----------------------------------|-------|
| LEASE & WELL: SAN ARROYO UNIT # 40        |             | COMPLETION FOREMAN: Todd Farley |               | RIG NUMBER Red Rock # 2          |       |
| FIELD/PROSPECT: SAN ARROYO                |             | COUNTY: Grand                   |               | STATE: Utah                      |       |
| DISTRICT: Colorado                        |             | REPORT TAKEN BY: DW             |               | START DATE: 6/25/2007 DAY # 2    |       |
| PBTD: 6358'                               | LN TOP: N/A | PERFS: 6142'- 6190' gross       | FORM: Surface | PROD. CSG SIZE: 4 1/2" 11.6 n-80 |       |
| AFE DESCRIPTION: Fishing parted CSG & TBG |             |                                 | AFE#          | PROD CSG SET @                   | 6396' |
| ACTIVITY @ REPORT TIME:                   |             |                                 | AFE AMOUNT    |                                  |       |

ACTIVITY LAST 24 HOURS

| HOURS   | 6:00 am - 6:00 am | CODE | ITEM                         | DAILY | CUMULATIVE |
|---|-------------------|------|------------------------------|-------|------------|
| n.d well head tree screwed on 4 1/2" csg sub tried to p.u on 4 1/2" csg at surface csg appeared to be stuck in well head called K&S fishing for jars p.u tools set jars off at surface one time jars would not recock laid down tools replaced packing in well head flange to swifn |                   |      |                              |       |            |
|   |                   |      | ROADS & LOCATIONS            |       | 0          |
|   |                   |      | RIG DAY RATE                 | 3790  | 8443       |
|   |                   |      | MUD & CHEMICALS              |       | 0          |
|   |                   |      | CEMENT & SERVICES            |       | 0          |
|   |                   |      | ELECTRIC LOGGING (CASED)     |       | 0          |
|   |                   |      | DISPOSAL                     |       | 0          |
|   |                   |      | BITS                         |       | 0          |
|   |                   |      | FILTERING                    |       | 0          |
|   |                   |      | WATER                        |       | 0          |
|   |                   |      | FUEL                         |       | 0          |
|   |                   |      | BOP'S                        | 499   | 1819       |
|   |                   |      | FRAC TANKS                   |       | 0          |
|   |                   |      | PUMPING SERVICES (H.O.T.)    |       | 0          |
|   |                   |      | TUBING RENTAL                |       | 0          |
|   |                   |      | EQUIP. RENT (SWIVEL, TOILET) |       | 0          |
|   |                   |      | FRAC VALVE                   |       | 0          |
|   |                   |      | LIGHT TOWER                  |       | 0          |
|   |                   |      | FLOW MANIFOLD                |       | 0          |
|   |                   |      | PKRS & PLUGS                 |       | 0          |
|   |                   |      | TRUCKING                     |       | 0          |
|   |                   |      | PERFORATING                  |       | 3329       |
|   |                   |      | STIMULATION                  |       | 0          |
|   |                   |      | MISC LABOR & SERVICES        |       | 0          |
|   |                   |      | SUPERVISION CONTRACT         | 1215  | 1215       |
|   |                   |      | TF CONSULTING INC.           |       | 0          |
|   |                   |      | SLICK LINE WORK              |       | 0          |
|   |                   |      | FISHING TOOLS & SERVICES     |       | 0          |
|   |                   |      | TOTAL INTANGIBLES            | 5504  | 14806      |
|   |                   |      | TOTAL TANGIBLES              | 0     | 0          |
|   |                   |      | TOTAL COSTS                  | 5504  | 14806      |
|   |                   |      | CONTINGENCIES (6%)           |       | 0          |
|   |                   |      | CUM. DRLG. COST              |       | 0          |
|   |                   |      | CONSTR. COST                 |       | 0          |
|   |                   |      | JOB TOTAL                    | 5504  | 14806      |

| TUBING DETAIL |        |       | PERFORATION DETAIL |          |     |       |          |
|---------------|--------|-------|--------------------|----------|-----|-------|----------|
| Item          | Length | Depth | Top Shot           | Btm Shot | SPF | Phase | Date     |
| KB            | 15.60  | 15.60 | 6330               | 6337     | 1   |       | 1-Mar-88 |
| 0             | 0.00   | 15.60 | 6168               | 6190     | 1   |       | 1-Mar-88 |
| 0             | 0.00   | 15.60 | 6142               | 6167     | 1   |       | 1-Mar-88 |
| PKR           | 0.00   | 15.60 |                    |          |     |       |          |

EOT @ 15.6

| CODE | TANGIBLE ITEMS CHARGED TODAY: (DESCRIBE) | COST |
|------|--|------|
|      | TUBING                                   |      |
|      | WELLHEAD                                 |      |
|      | ARTI. LIFT                               |      |
|      | PKR & DH                                 |      |

# **SLATERIVER**

**SAMARROYO**

**UNIT 40**

**API Well No.:**

**7/2/2007  
GARFIELD**

**PLUG**

**Customer Representative:  
TODD FARLEY 1-435-828-1411  
Halliburton Operator:  
STAN GATLIN  
Ticket No.:  
5209013**

# **HALLIBURTON**

## JOB SUMMARY

SALES ORDER NUMBER

5209013

TICKET DATE

7/2/07

REGION  
**NORTH AMERICA**

EMPLOYEE #  
**344701**

LOCATION  
**GRAND JUNCTION**

TICKET AMOUNT

INVA / COUNTRY  
**ROCKY MOUNTAIN**

U.S. EMPLOYEE NAME  
STAN GATLIN

COMPANY:  
**SLATERIVER**

WELL TYPE  
02 GAS

DEPARTMENT  
ZONAL ISOLATION 10003

BDA / STATE  
**COLORADO**

PSL DEPARTMENT  
**CEMENTING SERVICES**

CUSTOMER: REP / PHONE  
TODD FARLEY 1-435-828-1411

APR 1968

SAP BOMB NUMBER  
7528

Description  
**PLUG**

LEASE NAME  
**SAMARROYO**

Well No.  
**UNIT 40**

SEC / TWP / RNG

| H.E.S. EMP NAME / EMP # / (EXPOSURE HOURS) |  | HRS       | H.E.S. EMP NAME / EMP # / (EXPOSURE HOURS) |  | HRS       | H.E.S. EMP NAME / EMP # / (EXPOSURE HOURS) |  | HRS       |
|--|--|-----------|--|--|-----------|--|--|-----------|
| Gatlin, Stan 344701                        |  | 26.0      | Kukus, Chris 413952                        |  | 26.0      |  |  |           |
| Carrillo, Jesus 221927                     |  | 26.0      | Stempky, Mike 392967                       |  | 26.0      |  |  |           |
| Feurborn, John 381677                      |  | 26.0      | Leist, James 362787                        |  |           |  |  |           |
| Craig, Jim 410273                          |  | 26.0      |  |  |           |  |  |           |
| H.E.S. UNIT #S / (R/T MILES)               |  | R/T MILES | H.E.S. UNIT #S / (R/T MILES)               |  | R/T MILES | H.E.S. UNIT #S / (R/T MILES)               |  | R/T MILES |
| 10195621                                   |  | 120       | 10243540 10025034                          |  | 120       |  |  |           |
| 10719777                                   |  | 120       |  |  | 120       |  |  |           |
| 10857016 10872113                          |  | 120       |  |  |           |  |  |           |
|  |  | 120       |  |  |           |  |  |           |

Form. Name \_\_\_\_\_ Type: \_\_\_\_\_  
 Form. Thickness \_\_\_\_\_ From \_\_\_\_\_ To \_\_\_\_\_  
 Packer Type \_\_\_\_\_ Set At \_\_\_\_\_  
 Bottom Hole Temp. \_\_\_\_\_ Pressure \_\_\_\_\_  
 Retainer Depth **3600/700** Total Depth **1932**

## Tools and Accessories

| Type and Size      | Qty | Make |
|--------------------|-----|------|
| Float Collar 4 1/2 |     | HES  |
| Float Shoe 4 1/2   |     | HES  |
| Centralizers 4 1/2 |     | HES  |
| Top Plug 4 1/2     |     | HES  |
| Limit Clamp 4 1/2  |     | HES  |
| DV Tool 4 1/2      |     | HES  |
| Insert Float 4 1/2 |     | HES  |
| Guide Shoe 4 1/2   |     | HES  |
| Weld-A             |     | HES  |

## Materials

| Mud Type      | WBM    | Density | Lb/Gal |
|---------------|--------|---------|--------|
| Disp. Fluid   | H2O    | Density | Lb/Gal |
| Prop. Type    | Size   | Lb      |        |
| Prop. Type    | Size   | Lb      |        |
| Acid Type     | Gal.   | %       |        |
| Acid Type     | Gal.   | %       |        |
| Surfactant    | Gal.   | ln      |        |
| NE Agent      | Gal.   | ln      |        |
| Fluid Loss    | Gal/Lb | ln      |        |
| Gelling Agent | Gal/Lb | ln      |        |
| Fric. Red.    | Gal/Lb | ln      |        |
| Breaker       | Gal/Lb | ln      |        |

|                |        |
|----------------|--------|
| Blocking Agent | Gal/Lb |
| Perfpac Balls  | Qty.   |
| Other          |        |
| Other          |        |
| Other          |        |
| Other          |        |
| Other          |        |

|             |                   |                    |                    |                      |
|-------------|-------------------|--------------------|--------------------|----------------------|
| <b>Date</b> | <b>Called Out</b> | <b>On Location</b> | <b>Job Started</b> | <b>Job Completed</b> |
|             | 7/2/07            | 7/2/07             | 7/2/07             | 7/4/07               |
| <b>Time</b> | 0200              | 1000               | 1024               | 1001                 |

### Well Data

|              | New/Used | Weight | Size  | Grade | From | To    | Max. Allow |
|--------------|----------|--------|-------|-------|------|-------|------------|
| Casing       | USED     | 11.6   | 4 1/2 | N-80  | 0    | 6,358 |            |
| Liner        |          | 40.0   | 9 5/8 |       |      |       |            |
| Liner        |          |        |       |       |      |       |            |
| Tubing       | USED     | 4.7    | 2 3/8 |       | 0    | 1,932 |            |
| Drill Pipe   |          |        |       |       |      |       |            |
| Open Hole    |          |        |       |       |      |       | Shots/Ft.  |
| Perforations |          |        |       |       |      |       |            |
| Perforations |          |        |       |       |      |       |            |
| DV Tool      |          |        |       |       |      |       |            |

| <b>Hours On Location</b> |              | <b>Operating Hours</b> |             | <b>Description of Job</b> |
|--------------------------|--------------|------------------------|-------------|---------------------------|
| Date                     | Hours        | Date                   | Hours       | SEE JOB LOG               |
| 7/2/07                   | 9.00         | 7/2/07                 | 2.00        |                           |
| 7/3/07                   | 8.00         | 7/3/07                 | 1.00        |                           |
| 7/4/07                   | 6.00         | 7/4/07                 | 2.00        |                           |
| 7/5/07                   | 3.00         | 7/5/07                 | 1.00        |                           |
|                          |              |                        |             |                           |
|                          |              |                        |             |                           |
|                          |              |                        |             |                           |
|                          |              |                        |             |                           |
|                          |              |                        |             |                           |
|                          |              |                        |             |                           |
| <b>Total</b>             | <b>26.00</b> | <b>Total</b>           | <b>6.00</b> |                           |

|               |  |                      |  |                     |  |
|---------------|--|----------------------|--|---------------------|--|
| Ordered: N/A  |  | Available: N/A       |  | Used: N/A           |  |
| Treating: N/A |  | Average Rates in BPM |  | Overall: N/A        |  |
| Feet: 749     |  | Displacing: N/A      |  | Cement Left in Pipe |  |
|               |  | Reason:              |  | PLUG TO ABANDON     |  |

## Cement Data

| Stage | Sacks | Cement | Bulk/Sks | Additives           | W/Rq. | Yield | Lbs/Gal |
|-------|-------|--------|----------|---------------------|-------|-------|---------|
| TAIL  | 158   | G      | BULK     | 2% CALCIUM CHLORIDE | 5.00  | 1.15  | 15.8    |
| Tail  | 65    | G      | Bulk     | 2% CALCIUM CHLORIDE | 5.00  | 1.15  | 15.8    |

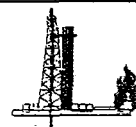
## Summary

|                       |             |                 |                |                       |                |       |              |
|-----------------------|-------------|-----------------|----------------|-----------------------|----------------|-------|--------------|
| Circulating Breakdown | <b>PUMP</b> | Displacement    | <b>WATER</b>   | Total Preflush BBL:   | <b>10</b>      | Type: | <b>WATER</b> |
| Lost Returns-YES      | <b>XXXX</b> | Maximum         |                | Load & Bkdn Gal - BBI |                |       | Pad:Bbl -Gal |
| Cmt Rtn#Bbl           | <b>NONE</b> | Lost Returns-NO |                | Excess /ReturnGal BBI |                |       | Calc. Disp.  |
| Shut In: Instant      |             | Actual TOC      | <b>SURFACE</b> | Calc. TOC:            | <b>SURFACE</b> |       | <b>8.5</b>   |
|                       |             | 5 Min.          |                | Cement Mix H2O:       | <b>26</b>      |       | <b>BBLs</b>  |
|                       |             | 15 Min.         |                | Total H2O Volume      | <b>75</b>      |       | <b>BBLs</b>  |

|              |              |              |              |
|--------------|--------------|--------------|--------------|
| Frac Ring #1 | Frac Ring #2 | Frac Ring #3 | Frac Ring #4 |
|--------------|--------------|--------------|--------------|

THE INFORMATION STATED HEREIN IS CORRECT  
CUSTOMER REPRESENTATIVE 

**SIGNATURE**





## JOB LOG

TICKET DATE  
7/2/2007

COUNTY  
**GARFIELD**

CUSTOMER REP / PHONE  
TODD FARLEY 1-435-828-1411

|           |  |
|-----------|--|
| API/UWI # |  |
|-----------|--|

|             |             |
|-------------|-------------|
| Description | <b>PLUG</b> |
|-------------|-------------|

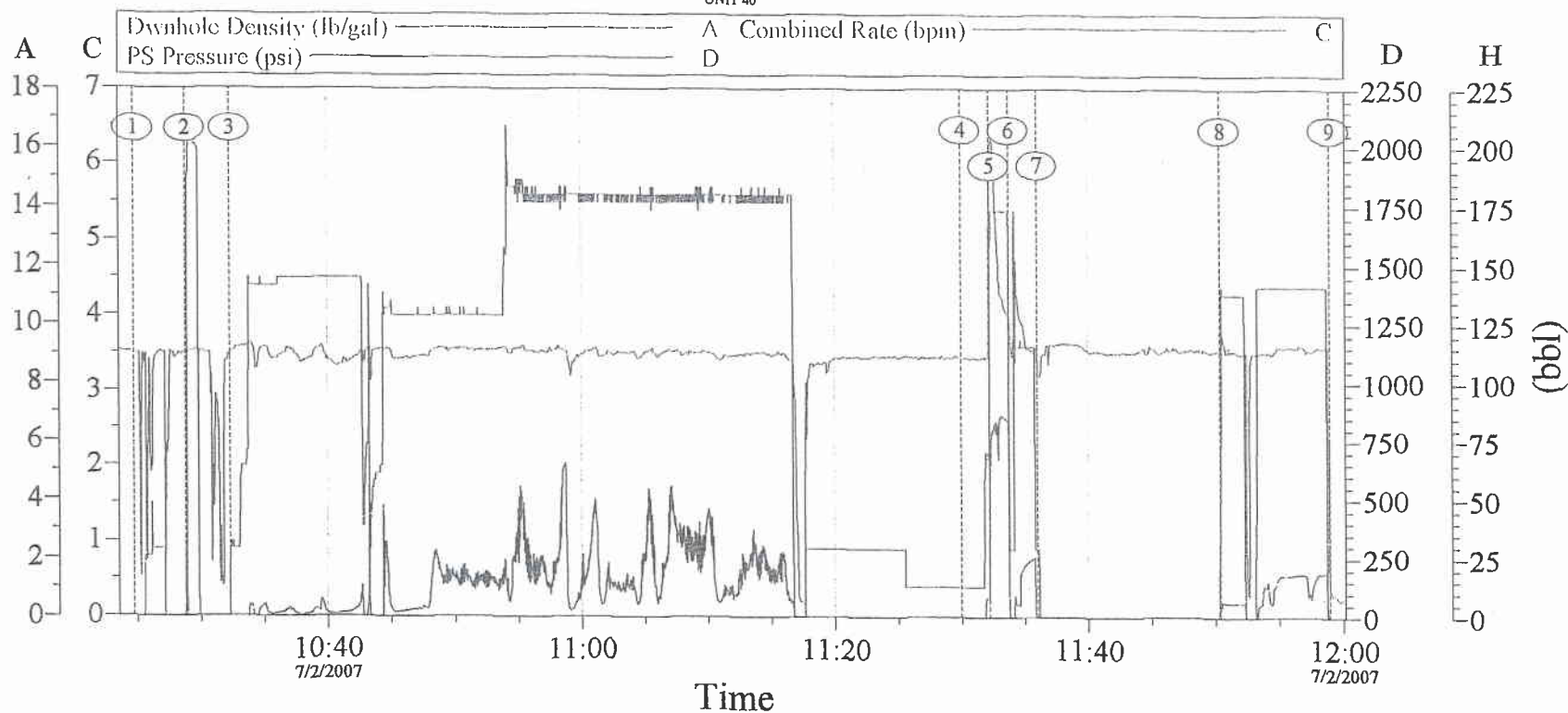
SEC / TWP / RNG

| Chart No. | Time | Rate (BPM) | Volume (BBL/GAL) | Pmps | Press. (PSI) | Job Description / Remarks                                  |
|-----------|------|------------|------------------|------|--------------|--|
|           |      |            |                  | T C  | Tbg Csg      |  |
|           | 0330 |            |                  |      |              | CONDUCT IN YARD SAFETY MEETING LEAVE YARD                  |
|           | 0930 |            |                  |      |              | ARRIVE ON LOCATION 07/02/07                                |
|           | 0940 |            |                  |      |              | CONDUCT LOCATION ASSESSMENT SAFETY MEETING                 |
|           | 0950 |            |                  |      |              | SPOT EQP. AND RIG UP                                       |
|           | 1000 |            |                  |      |              | RIG UP TO CIRCULATE  |
|           | 1015 |            |                  |      |              | CONDUCT PREJOB SAFETY MEETING                              |
|           |      |            |                  |      |              | JOB: SET 300 FT PLUG AT 1932 FT INSIDE 4 1/2 CASING        |
|           |      |            |                  |      |              | PLUG #1  |
|           | 1020 |            |                  |      |              | START JOB  |
|           | 1021 |            |                  |      |              | PRIME LINES  |
|           | 1024 |            |                  | 1    | 4000         | TEST LINES   |
|           | 1028 | 5.7        | 220.0            | 1    | 625          | BREAK CIRCULATION  |
|           | 1125 | 5.7        | 10.0             | 1    | 10           | START H2O SPACER   |
|           | 1128 | 5.7        | 4.5              | 1    | 770          | START CEMENT - 22.5 SKS @ 15.8 #, 1.15 YD, 5.00 WR         |
|           | 1129 | 5.7        | 6.0              | 1    | 230          | START DISPLACEMENT   |
|           | 1132 |            |                  |      |              | SHUT DOWN / TRIP OUT OF HOLE                               |
|           | 1146 | 5.4        | 32.0             | 1    | 180          | START REVERSE OUT  |
|           | 1147 |            |                  |      |              | END JOB  |
|           |      |            |                  |      |              | CIRCULATION WAS ACHIEVED AFTER 40 BBLs OF PRODUCTION WATER |
|           |      |            |                  |      |              | 22.5 SKS OF CEMENT WERE USED TO SET A 300 FT PLUG          |
|           |      |            |                  |      |              | PUMP WAS DOWN 14 MINUTES WHILE RIG TRIPPED OUT OF THE HOLE |
|           |      |            |                  |      |              | 6 BBLs OF FRESH WATER WAS USED FOR DISPLACEMENT PER        |
|           |      |            |                  |      |              | COMPANY REPRESENTATIVE'S REQUEST                           |
|           |      |            |                  |      |              | 32 BBLs OF PRODUCTION WATER WAS USED TO REVERSE OUT        |
|           |      |            |                  |      |              | ATTEMPTS TO TAG CEMENT FAILED.                             |
|           |      |            |                  |      |              | PLUG #2  |
|           | 1631 |            |                  |      |              | START JOB  |
|           | 1632 | 5.0        | 220.0            | 1    | 625          | BREAK CIRCULATION  |
|           | 1639 | 5.0        | 10.0             | 1    | 10           | START H2O SPACER   |
|           | 1643 | 5.0        | 4.5              | 1    | 770          | START CEMENT - 22.5 SKS @ 15.8 #, 1.15 YD, 5.00 WR         |
|           | 1646 | 5.0        | 6.0              | 1    | 230          | START DISPLACEMENT   |
|           | 1647 |            |                  |      |              | SHUT DOWN / TRIP OUT OF HOLE                               |
|           | 1700 | 4.0        | 32.0             | 1    | 180          | START REVERSE OUT  |
|           | 1705 |            |                  |      |              | SHUT DOWN  |
|           | 1706 |            |                  |      |              | END JOB  |
|           |      |            |                  |      |              | WILL ATTEMPT TO TAG CEMENT NEXT DAY                        |

|  |      |      |   |  |      |  |          |
|--|------|------|---|--|------|--|----------|
|  | 0800 |      |   |  |      | ARRIVE ON LOCATION   | 07/03/07 |
|  | 0830 |      |   |  |      | TAGGED CEMENT @ 12' ABOVE SURFACE CSG SEPARATED @            |          |
|  |      |      |   |  |      | 1932 FT.   |          |
|  |      |      |   |  |      | JOB: SET PLUG USING 30 SKS CEMENT - 396 FT PER BLM & COMPANY |          |
|  |      |      |   |  |      | REPRESENTATIVES  |          |
|  |      |      |   |  |      | BALANCE PLUG #3  |          |
|  | 0907 |      |   |  |      | START JOB  |          |
|  | 0908 |      |   |  |      | PRIME LINES  |          |
|  | 0914 |      | 1 |  | 4000 | TEST LINES   |          |
|  | 0921 | 38.0 | 2 |  | 563  | BREAK CIRCULATION  |          |
|  | 0933 | 10.0 | 2 |  | 66   | START H2O SPACER   |          |
|  | 0940 | 6.1  | 2 |  | 78   | START CEMENT - 40 SKS @ 15.8 #, 1.15 YD, 5.00 WR             |          |
|  | 0943 | 2.5  | 2 |  | 60   | START WATER BEHIND   |          |
|  | 0944 | 3.2  | 2 |  | 50   | START DISPLACEMENT   |          |
|  | 0945 |      |   |  |      | SHUT DOWN / TRIP OUT OF HOLE / CLEAN PUMPS                   |          |
|  | 1004 | 10.0 | 2 |  |      | START REVERSE OUT  |          |
|  | 1010 |      |   |  |      | SHUT DOWN  |          |
|  | 1010 |      |   |  |      | END JOB  |          |
|  |      |      |   |  |      | COMPANY WILL ATTEMPT TO CUT OFF 400 FT OF 4 1/2 CASING.      |          |
|  |      |      |   |  |      | HALLIBURTON WILL SET A PLUG IN THE 9 5/8 CASING              |          |
|  | 1530 |      |   |  |      | LEFT LOCATION  |          |
|  | 0900 |      |   |  |      | ARRIVE ON LOCATION   | 07/04/07 |
|  |      |      |   |  |      | JOB: PLUG FROM 432 FT YO 375 FT IN 4 1/2 CASING & PLUG FROM  |          |
|  |      |      |   |  |      | 375 FT TO 221 FT IN 9 5/8 CASING                             |          |
|  |      |      |   |  |      | BALANCE PLUG #4  |          |
|  | 1126 |      |   |  |      | START JOB  |          |
|  | 1127 |      | 1 |  |      | PRIME LINES  |          |
|  | 1129 |      | 1 |  | 4000 | TEST LINES   |          |
|  | 1131 | 21.0 | 2 |  | 20   | BREAK CIRCULATION  |          |
|  | 1134 | 10.0 | 2 |  | 110  | START H2O SPACER   |          |
|  | 1142 | 6.8  | 2 |  | 115  | START CEMENT - 43 SKS @ 15.8 #, 1.15 YD, 5.00 WR             |          |
|  | 1144 | 1.0  | 2 |  | 120  | START WATER BEHIND   |          |
|  |      |      |   |  |      | END JOB  |          |
|  |      |      |   |  |      | COMPANY WILL PULL OUT OF HOLE, WAIT TWO HOURS, AND TAG       |          |
|  |      |      |   |  |      | TOP OF CEMENT. HALLIBURTON WILL SET 80 FT PLUG               |          |
|  |      |      |   |  |      | BALANCE PLUG #5  |          |
|  |      |      |   |  |      | JOB: 80 FT PLUG INSIDE 9 5/8 CASING                          |          |
|  | 1448 |      |   |  |      | START JOB  |          |
|  | 1448 |      | 1 |  |      | PRIME LINES  |          |
|  | 1449 | 12.0 | 2 |  | 110  | BREAK CIRCULATION  |          |
|  | 1450 | 10.0 | 2 |  | 125  | START H2O SPACER   |          |
|  | 1456 | 6.1  | 2 |  | 140  | START CEMENT - 40 SKS @ 15.8 #, 1.15 YD, 5.00 WR             |          |
|  | 1458 | 1.0  | 2 |  | 25   | START WATER BEHIND   |          |
|  | 1459 |      |   |  |      | END JOB  |          |
|  | 0800 |      |   |  |      | ARRIVE ON LOCATION   | 07/05/07 |
|  |      |      |   |  |      | JOB: 50 FT PLUG INSIDE 9 5/8 CASING                          |          |
|  |      |      |   |  |      | BALANCE PLUG #6  |          |
|  | 0948 |      |   |  |      | START JOB  |          |
|  | 0949 | 2.0  | 2 |  | 10   | START H2O SPACER   |          |
|  | 0954 | 5.0  | 2 |  | 15   | START CEMENT - 55 SKS @ 15.8 #, 1.15 YD, 5.00 WR             |          |
|  | 0959 |      |   |  |      | SHUT DOWN  |          |
|  | 1000 | 2.0  | 2 |  | 15   | START CEMENT   |          |
|  | 1001 |      |   |  |      | SHUT DOWN  |          |
|  | 1003 |      |   |  |      | END JOB  |          |
|  |      |      |   |  |      |  |          |
|  |      |      |   |  |      | THANK YOU FOR USING GRAND JUNCTION HALLIBURTON               |          |
|  |      |      |   |  |      | STAN GATLIN & CREW   |          |
|  |      |      |   |  |      |  |          |
|  |      |      |   |  |      |  |          |
|  |      |      |   |  |      |  |          |
|  |      |      |   |  |      |  |          |

# PLUG SLATERIVER

UNIT 40



## Event Log

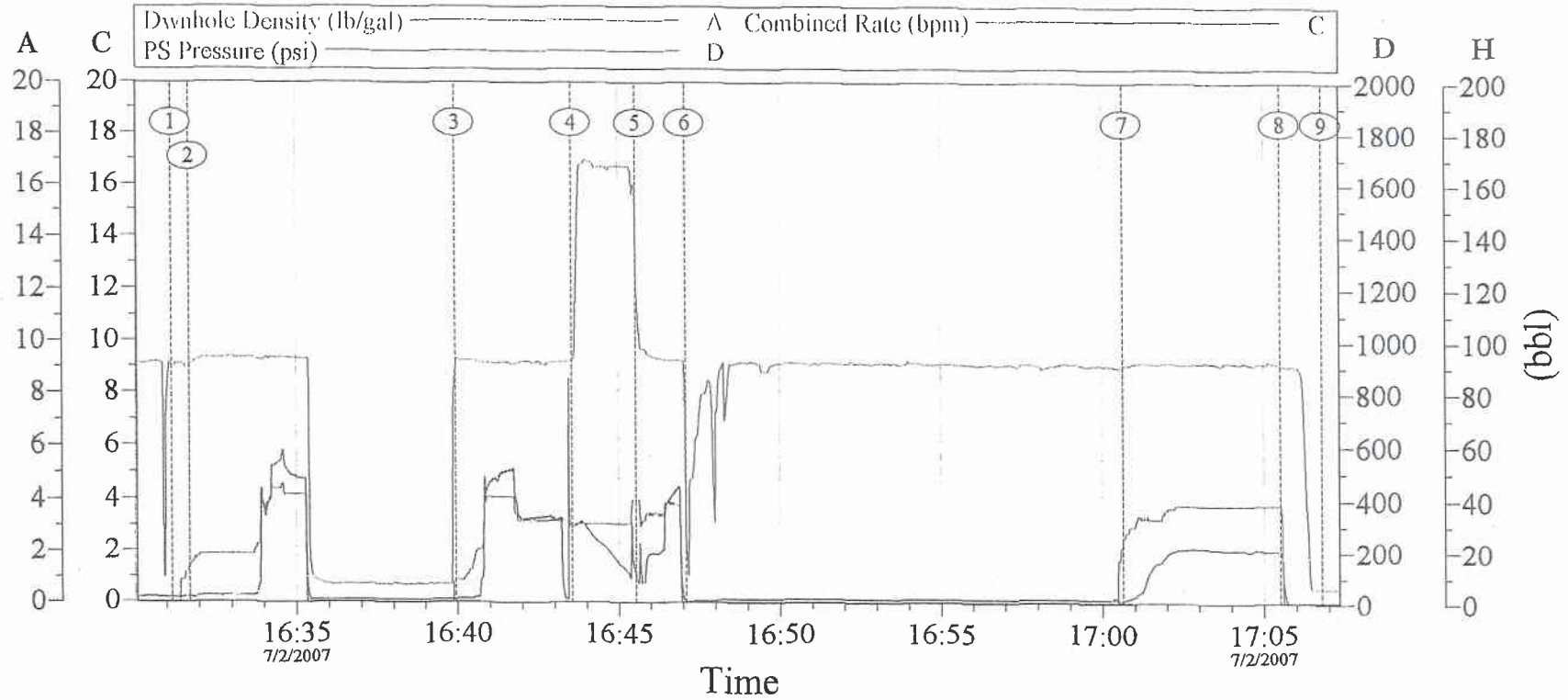
|                               |          |                     |          |                      |          |
|-------------------------------|----------|---------------------|----------|----------------------|----------|
| ① Start Job                   | 10:24:43 | ② Test Lines        | 10:28:47 | ③ Break Circulation  | 10:32:18 |
| ④ Start Water Ahead           | 11:29:57 | ⑤ Start Cement      | 11:32:13 | ⑥ Start Displacement | 11:33:45 |
| ⑦ Shut Down / Trip Out Tubing | 11:36:00 | ⑧ Start Reverse Out | 11:50:23 | ⑨ End Job            | 11:58:56 |

|                                 |               |               |
|---------------------------------|---------------|---------------|
| Customer:                       | Job Date:     | Ticket #:     |
| Service Supervisor: Stan Gatlin | Real Time Yes | ADC Used: Yes |
| Lease                           | Well Number   | Company Rep   |

**HALLIBURTON**  
TG Version G3.4.1  
05-Jul-07 09:21

# PLUG SLATERIVER

UNIT 40



## Event Log

|                     |          |                      |          |                        |          |
|---------------------|----------|----------------------|----------|------------------------|----------|
| ① Start Job         | 16:31:09 | ② Break Circulation  | 16:31:42 | ③ Start H2O Spacer     | 16:39:56 |
| ④ Start Cement      | 16:43:33 | ⑤ Start Displacement | 16:45:32 | ⑥ Shut Down / Trip Out | 16:47:05 |
| ⑦ Start Reverse Out | 17:00:38 | ⑧ Shut Down          | 17:05:31 | ⑨ End Job              | 17:06:47 |

Customer: SlateRiver  
Service Supervisor: Stan Gatlin

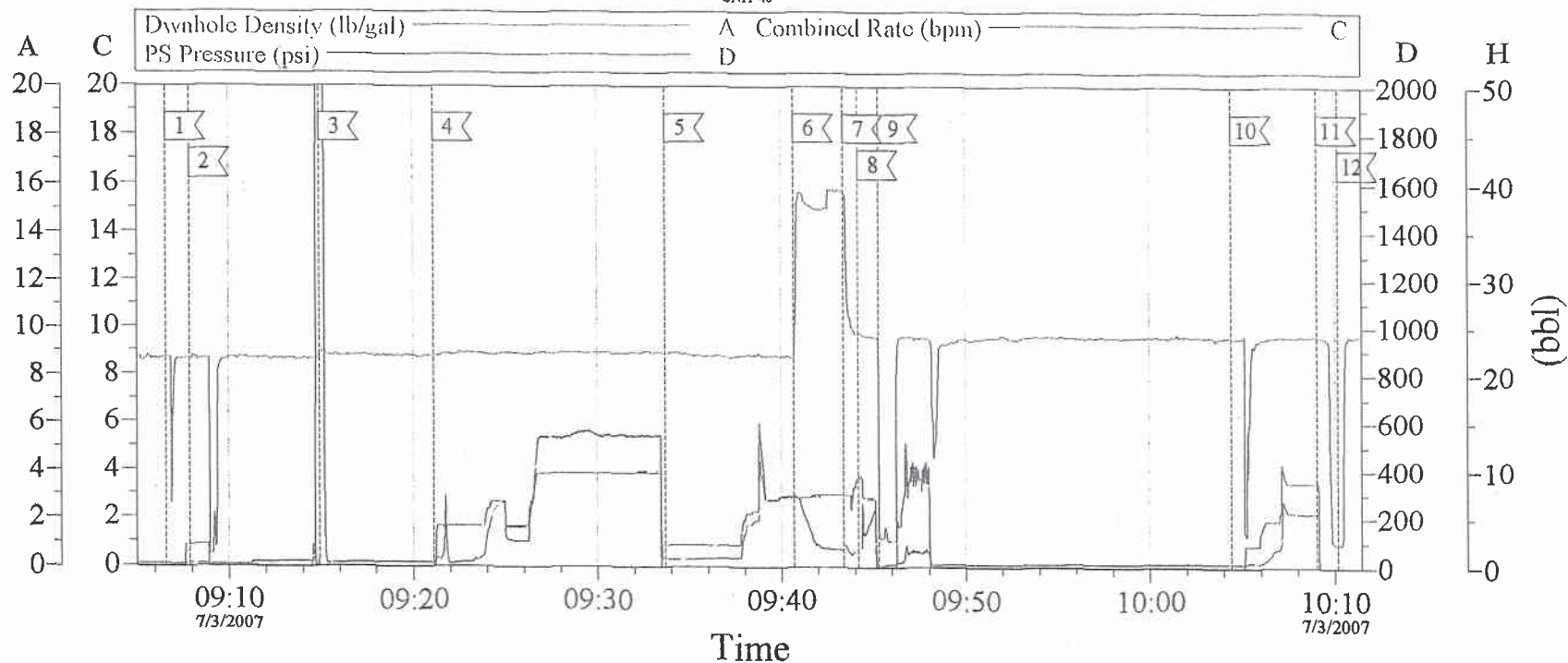
Job Date: 7/2/07  
Real Time Yes

Ticket #: 5209013  
ADC Used: Yes

**HALLIBURTON**  
CemWin v1.7.2  
02-Jul-07 17:44

# PLUG #3 SLATERIVER

UNIT 40



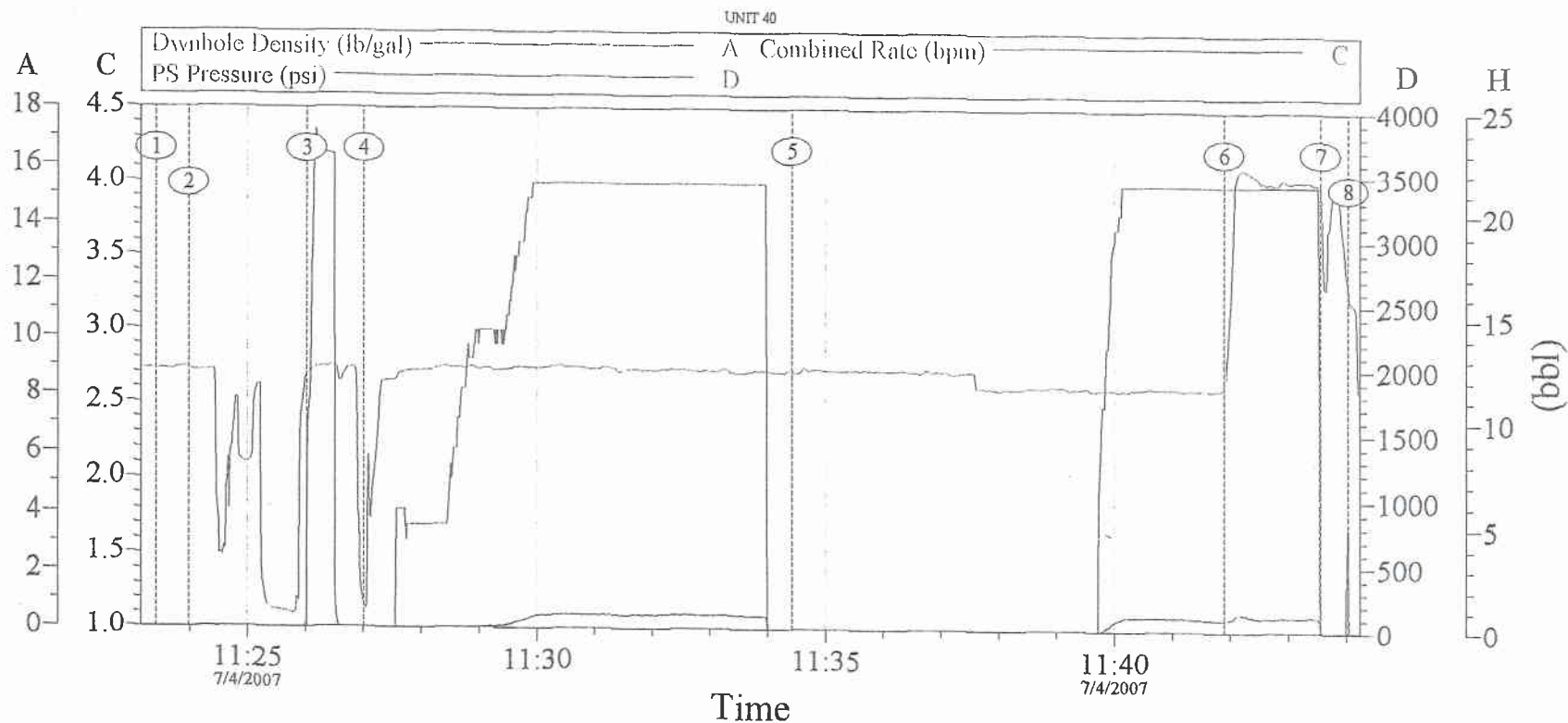
## Event Log

|                     |          |                      |          |                          |          |
|---------------------|----------|----------------------|----------|--------------------------|----------|
| 1 Start Job         | 09:06:36 | 2 Prime Lines        | 09:07:53 | 3 Test Lines             | 09:14:54 |
| 4 Break Circulation | 09:21:05 | 5 Start H2O Spacer   | 09:33:41 | 6 Start Cement           | 09:40:41 |
| 7 Start H2O Behind  | 09:43:23 | 8 Start Displacement | 09:44:10 | 9 Shut Down / Clean Pump | 09:45:17 |
| 10 Reverse Out      | 10:04:25 | 11 Shut Down         | 10:09:02 | 12 End Job               | 10:10:09 |

|                                 |               |               |
|---------------------------------|---------------|---------------|
| Customer:                       | Job Date:     | Ticket #:     |
| Service Supervisor: Stan Gatlin | Real Time Yes | ADC Used: Yes |
| Lease                           | Well Number   | Company Rep   |

**HALLIBURTON**  
TG Version G3.4.1  
05-Jul-07 09:34

# PLUG #4 SLATERIVER

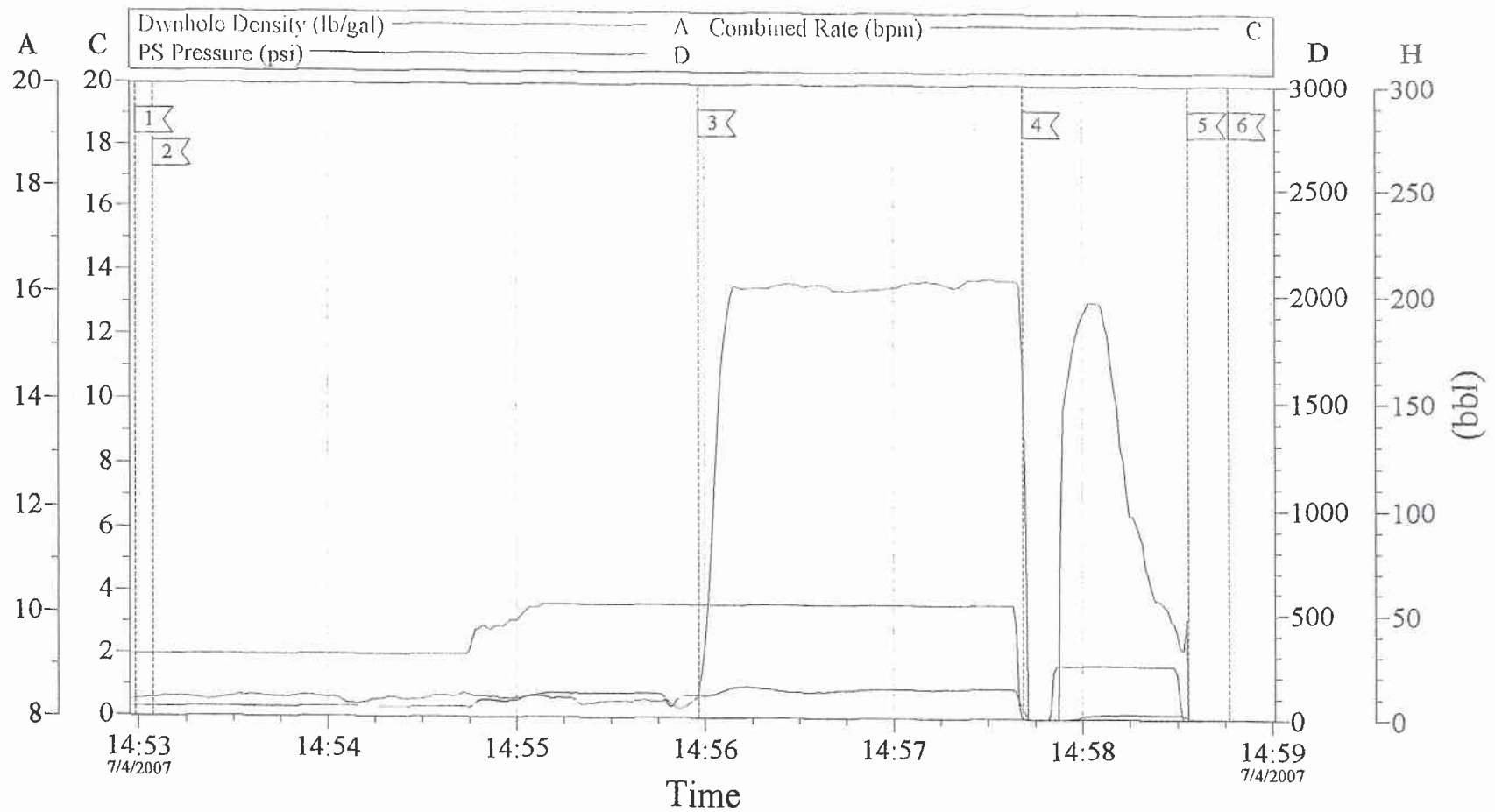


## Event Log

|                                 |          |                                |          |                |          |
|---------------------------------|----------|--------------------------------|----------|----------------|----------|
| ① Start Job                     | 11:23:25 | ② Prime Lines                  | 11:23:59 | ③ Test Lines   | 11:26:01 |
| ④ Break Circulation             | 11:27:00 | ⑤ Start H <sub>2</sub> O Ahead | 11:34:25 | ⑥ Start Cement | 11:41:54 |
| ⑦ Start H <sub>2</sub> O Behind | 11:43:33 | ⑧ End Job                      | 11:44:02 |                |          |

|                     |             |           |        |           |         |
|---------------------|-------------|-----------|--------|-----------|---------|
| Customer:           | SLATERIVER  | Job Date: | 7/4/07 | Ticket #: | 5209013 |
| Service Supervisor: | Stan Gatlin | Real Time | Yes    | ADC Used: | Yes     |

**HALLIBURTON**  
TG Version G3.4.1  
05-Jul-07 09:31



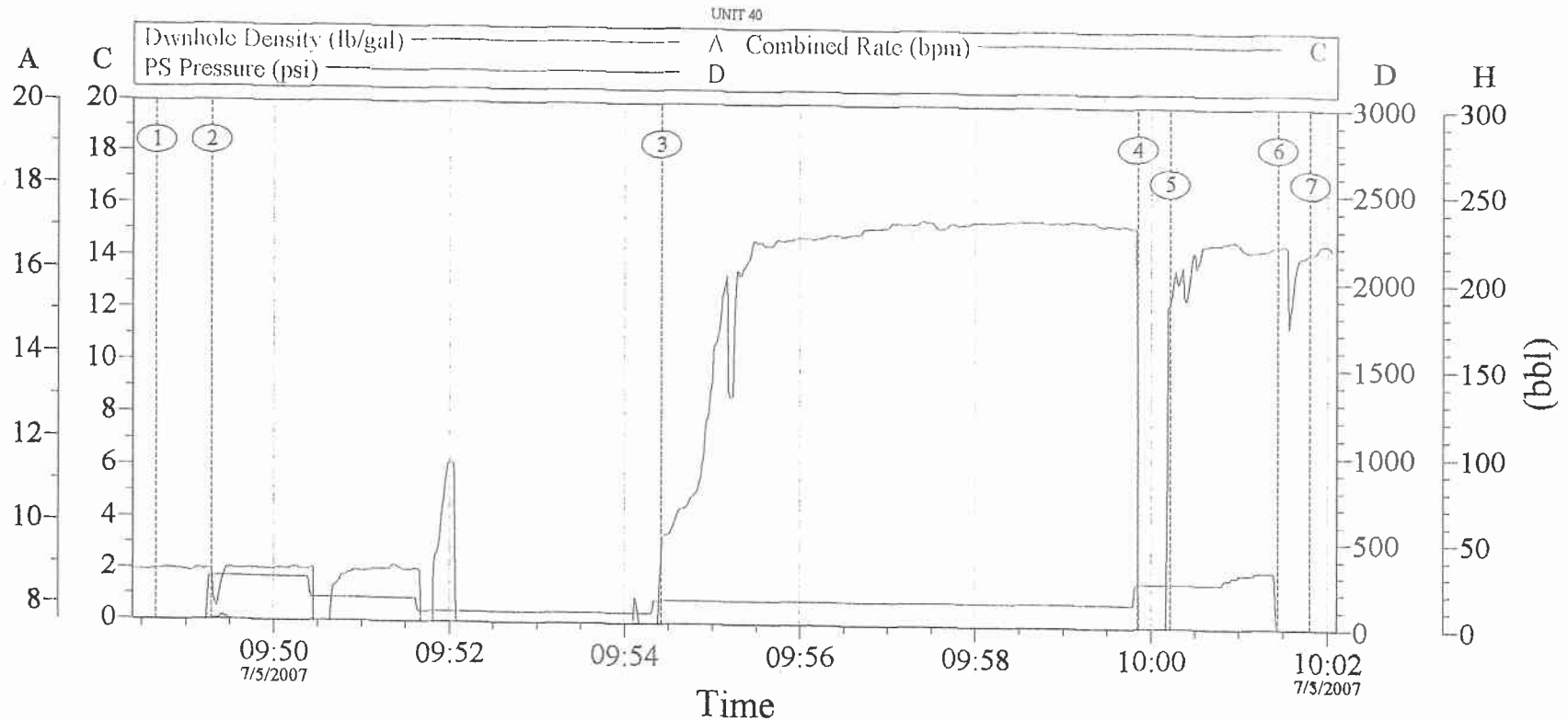
| Event Log          |          |        |                    |          |       |
|--------------------|----------|--------|--------------------|----------|-------|
| Intersection       |          | PP     | Intersection       |          | PP    |
| 1 Start Job        | 14:52:59 | 48.00  | 2 Start H2O Spacer | 14:53:05 | 48.00 |
| 3 Start Cement     | 14:55:58 | 110.0  |                    |          |       |
| 4 Start H2O Behind | 14:57:41 | 46.22  | 5 Shut Down        | 14:58:34 | 15.36 |
| 6 End Job          | 14:58:46 | -3.000 |                    |          |       |

|                                 |               |               |
|---------------------------------|---------------|---------------|
| Customer:                       | Job Date:     | Ticket #:     |
| Service Supervisor: Stan Gatlin | Real Time Yes | ADC Used: Yes |
| Lease                           | Well Number   | Company Rep   |

**HALLIBURTON**  
 TG Version G3.4.1  
 05-Jul-07 09:36



# SURFACE PLUG SLATERIVER



## Event Log

|             |          |                    |          |                |          |
|-------------|----------|--------------------|----------|----------------|----------|
| ① Start Job | 09:48:40 | ② Start H2O Spacer | 09:49:17 | ③ Start Cement | 09:54:25 |
| ④ Shut Down | 09:59:51 | ⑤ Start Cement     | 10:00:13 | ⑥ Shut Down    | 10:01:26 |
| ⑦ End Job   | 10:01:48 |                    |          |                |          |

Customer: Slateriver  
Service Supervisor: Stan Gatlin

Job Date: 7/5/07  
Real Time Yes

Ticket #: 5209013  
ADC Used: Yes

**HALLIBURTON**  
CemWin v1.7.2  
05-Jul-07 10:34



## Field Ticket

|   |  |   |  |
|---|--|---|--|
| <b>Field Ticket Number:</b> 5209013   |  | <b>Field Ticket Date:</b> Monday, July 02, 2007   |  |
| <b>Bill To:</b><br><br>   |  | <b>Job Name:</b><br><b>Order Type:</b> Streamline Order (ZOH)<br><b>Well Name:</b> SAMARROYO 40<br><b>Company Code:</b> 1100<br><b>Customer PO No.:</b> NA<br><b>Shipping Point:</b> Grand Junction, CO, USA<br><b>Sales Office:</b> Rocky Mountains BD<br><b>Well Type:</b><br><b>Well Category:</b> |  |
| <b>Ship To:</b><br>SLATE RIVER RESOURCES<br>SAMARROYO, 40<br>343950<br>UNKNOWN, |  |   |  |

| Material | Description                              | QTY  | UOM | Base Amt | Unit Amt | Gross Amount | Discount | Net Amount |
|----------|--|------|-----|----------|----------|--------------|----------|------------|
| 7528     | CMT PLUG TO ABANDON BOM                  | 1    | JOB | 0.00     | 0.00     | 0.00         | 66%      | 0.00       |
| 1        | ZI-MILEAGE FROM NEAREST HES BASE,/UNIT   | 120  | MI  | 0.00     | 9.79     | 1,174.80     | 66%      | 399.43     |
|          | Number of Units                          | 1    |     |          |          |              |          |            |
| 86955    | ZI FUEL SURCHG-HEAVY TRKS >1 1/2 TON     | 120  | MI  | 0.00     | 0.45     | 162.00       |          | 162.00     |
|          | Number of Units                          | 3    |     |          |          |              |          |            |
| 2        | MILEAGE FOR CEMENTING CREW,ZI            | 120  | MI  | 0.00     | 5.76     | 5,529.60     | 66%      | 1,880.06   |
|          | Number of Units                          | 8    |     |          |          |              |          |            |
| 86954    | ZI FUEL SURCHG-CARS/PICKUPS<1 1/2TON     | 120  | MI  | 0.00     | 0.15     | 144.00       |          | 144.00     |
|          | Number of Units                          | 8    |     |          |          |              |          |            |
| 372867   | Cmt PSL - DOT Vehicle Charge, CMT        | 3    | EA  | 0.00     | 241.00   | 723.00       |          | 723.00     |
| 16094    | PLUG BACK/SPOT CEMENT OR MUD,ZI          | 1    | EA  | 0.00     | 6,065.00 | 6,065.00     | 66%      | 2,062.10   |
|          | DEPTH                                    | 1932 |     |          |          |              |          |            |
|          | FEET/METERS (FT/M)                       |      | FT  |          |          |              |          |            |
| 132      | PORT. DAS W/CEMWIN;ACQUIRE W/HES, ZI     | 1    | JOB | 0.00     | 1,649.00 | 1,649.00     | 66%      | 560.66     |
|          | NUMBER OF DAYS                           | 1    |     |          |          |              |          |            |
| 7        | ENVIRONMENTAL SURCHARGE,/JOB,ZI          | 1    | JOB | 0.00     | 134.00   | 134.00       |          | 134.00     |
| 8        | IRON SAFETY INSPECTION SURCHARGE /JOB ZI | 1    | JOB | 0.00     | 83.00    | 83.00        | 66%      | 28.22      |
| 3965     | HANDLE&DUMP SVC CHRGR, CMT&ADDITIVES,ZI  | 232  | CF  | 0.00     | 5.49     | 1,273.68     | 66%      | 433.05     |
|          | NUMBER OF EACH                           | 1    |     |          |          |              |          |            |
| 76400    | ZI MILEAGE,CMT MTLN DEL/RET MIN          | 60   | MI  | 0.00     | 3.35     | 2,150.70     | 66%      | 731.24     |
|          | NUMBER OF TONS                           | 10.7 |     |          |          |              |          |            |
| 87605    | ZI FUEL SURCHG-CMT & CMT ADDITIVES       | 60   | MI  | 0.00     | 0.15     | 96.30        |          | 96.30      |

| Material  | Description                              | QTY  | UOM | Base Amt      | Unit Amt   | Gross Amount     | Discount         | Net Amount       |
|-----------|--|------|-----|---------------|------------|------------------|------------------|------------------|
|           | NUMBER OF TONS                           | 10.7 |     |               |            |                  |                  |                  |
| 100003685 | CEM,CLASS G / PREMIUM, BULK              | 223  | SK  | 0.00          | 42.24      | 9,419.52         | 66%              | 3,202.64         |
| 100005053 | Chemical - Calcium Chloride Hi Test Plt  | 6    | SK  | 0.00          | 251.00     | 1,506.00         | 66%              | 512.04           |
| 16112     | SRV LDR, SRV COORD, TECH PERSONNEL/HR,Z  | 1    | EA  | 0.00          | 276.00     | 1,656.00         | 66%              | 563.04           |
|           | HOURS                                    | 6    |     |               |            |                  |                  |                  |
| 139       | ADC (AUTO DENSITY CTRL) SYS, /JOB,ZI     | 1    | JOB | 0.00          | 2,275.00   | 2,275.00         | 66%              | 773.50           |
|           | NUMBER OF UNITS                          | 1    |     |               |            |                  |                  |                  |
| 16092     | ADDITIONAL HOURS (PUMPING EQUIPMENT), ZI | 1    | EA  | 0.00          | 956.00     | 21,032.00        | 66%              | 7,150.88         |
|           | HOURS                                    | 22   |     |               |            |                  |                  |                  |
|           |  |      |     | <b>Totals</b> | <b>USD</b> | <b>55,073.60</b> | <b>35,517.44</b> | <b>19,556.16</b> |

Halliburton Rep:

STANLEY GATLIN

Customer Agent:

Halliburton Approval

THIS OUTPUT DOES NOT INCLUDE TAXES. APPLICABLE SALES TAX WILL BE BILLED ON THE FINAL INVOICE.  
CUSTOMER HEREBY ACKNOWLEDGES RECEIPT OF THE MATERIALS AND SERVICES DESCRIBED ABOVE AND ON THE ATTACHED DOCUMENTS.

X  
Customer Signature

*Jodd Early 7-5-07*

FIELD TICKET TOTAL: USD

19,556.16

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